ANNUAL BUDGET OF

Makhuduthamaga Local Municipality

2012/2013

NB. Copies of this document can be viewed/obtained:

- At the reception of our municipal buildings
- All public libraries of the municipality
- At www.makhuduthamaga.gov.za

Abbreviations and Acronyms

BPC	Budget Planning Committee
CFO	Chief Financial Officer
MM	Municipal Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DoRA	Division of Revenue Act
EE	Employment Equity
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Strategy
IT	Information Technology
km	kilometre
DFS	Government Financial Statistics
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
RG	Restructuring Grant
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises
DOE	Department of Energy

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1.1 Mayor's report.

MADAM SPEAKER

CHIEF- WHIP OF THE COUNICIL

MEMBERS OF THE EXECUTIVE COMMITTEE

TRADITIONAL LEADERS

HONORABLE COUNCILORS

LEADERS FROM DIFFERENT SECTORS

MUNICIPAL MANAGER AND STAFF

MEMBERS OF THE COMMUNITY

LADIES AND GENTLEMEN

Madam speaker

We are gathered here today, a year after the third democratic local government elections held on the 18th of May 2011. On the 18th of May 2011, it was voters and not the politicians who were the main players. These voters now expect that we must honour the commitment that we made in our election manifestos. Today we are here before the members of our communities to account on the work done and our plans for the future.

Madam Speaker

We are holding our first budget council meeting at a village where one of the stalwart leaders of the ruling party was born and bred. The original home of Elias Phakane Moretsele. The first president of the ANC in the Northern Transvaal and also the secretary of the gathering in Klip Town when the freedom Charter was drawn. We are here to honours him and some of the freedom fighters who came from this part of the region and the likes of Madinoge Kgoloko.

One of the elements of participatory governance is for the community to foster participation in the IDP process.

The act requires the council to consider the views of the community when finalizing the plan.

The public had been given enough time through public hearings to express views on the draft budget.

We have considered some of their views and so today, we are presenting 2012/13 to 2014/15 budget to this council for approval.

OWN REVENUE AND GRANTS

The total budget for 2012/13 financial year is R259, 715 million

The total operational expenditure is R154, 015 million

The total capital expenditure is R 105, 313 million

This money comes from both the National and Provincial governments, as yearly grants and other part of the money comes from our own municipality through our local revenue sources.

PROPERTY RATES

Our main own revenue source is property rate, which is the tax that is imposed on the market value of land and buildings.

Our municipality has started to implement the Property Rates Act in July 2009 and is billing all government and business buildings.

Since the implementation of the Municipal Property Rates Act (MPRA), we have been finding it difficult to collect the projected amounts. There are findings that our tariffs for property Rates are very high and so for 2012/13 financial year these tariffs are reduced from 3 cents to 2 cents in a rand to make property rates affordable and to encourage debtors to pay their accounts. The projected collection amount has changed from R41 million in the current financial year to R27m in the 2012 /13 financial year. We have also provided R9.5m for bad debts

CORPORATE SERVICES

This department has been allocated R18 140 973.24

Our municipality has an obligation to attain professional practices and because of that we need amongst others a good system to manage punctuality and leave matters. We are allocating R1m for the introduction of the electronic time management system.

Our municipality has established a bursary fund to assist youth from disadvantaged families to study at tertiary level. Twenty three (23) students are currently on municipal Bursary fund. For 2012/13 financial year we are increasing this fund from R1m to R2m.

PLANNING AND LED

These departments are allocated R7 849 491.88 and R4 171 703.77 respectively.

All municipalities are required to have one Thusong Service Centre, Multi- Purpose Service Centre. We have resolved to erect this infrastructure at Apel Cross. We are allocating R200 000 for the start of the project and it will also be funded in the two outer years.

One of the Lekgotla resolutions is to purchase and improve the landscape between municipal offices and the main road. The land had been purchased and now we are allocating R700 000 for landscaping.

The area between the municipal offices and Jane Furse Four- Way- Stop needs a lot of restructuring before the opening of the R100m Jane Furse Crossing Mall in December. Besides the expansion of the road, we are allocating R1m for construction of hawkers' stalls at Jane Furse.

Unemployment rate in our municipality is unacceptable. We need to create jobs through EPWP projects or labour intensive projects. 36 jobs have been created through waste collection project, 256 jobs through Allient Trees Project and 200 jobs through Rural Development Program. We are allocating R966 000 to construct the road from Ga- Sekele to Ga- Kgoshigadi Nkosi by using EPWP approach.

We are further allocating R2m for SMME support.

COMMUNITY SERVICE

We have allocated R2 889 268 .75 to this department

As part of Environmental Management the municipality has a licensed landfill site; Jane Furse landfill site. There is a need for the expansion of the Landfill site as it can no longer carry the waste that is collected. We have allocated R1 650 000 for maintenance of Jane Furse landfill site.

The waste management function is performed by our municipality. The program was a pilot project by LEDET. But now LEDET has withdrawn its support and the municipality has taken full responsibility. During the 2012/13 Budget we are intending to expand the project to Ga - Phaahla,Ga - Marishane and Apel Cross with an aim of reducing informal disposal of waste. We are allocating R4m for the current waste collection.

As a municipality we have an obligation to preserve some of our natural resources like wetlands. We have been fencing a number of wetlands. For this coming financial year we have allocated R350 000.

We are also allocating R1.2m for fencing our communal cemeteries and this project will go on in future until all our cemeteries are covered.

Sport is life. Although sport, arts and culture is not our function, we are expected to be seen supporting these activities. We are annually supporting Mampuru Cultural Day and St Manche's day as one of the biggest cultural activities in our municipality. As a result we have allocated R1m for sports, arts and culture promotions.

We are also complying with Municipal Infrastructure grant (MIG) condition of using 15% of R41 463 000 for sports. In this regard we are allocating R6 215 400 for the upgrading of Apel Cross sports ground and it will also be funded in the outer years.

BUDGET AND TREASURY

The department of Budget and Treasury has been allocated R51 142 460.69

The contracts for Cleaning and Security Services are coming to an end. The Auditor General (AG) has queried that the budget for Security Services is too high. For 2012/13 the Budget for Security Services has been reduced from R 11 494 328, 34 to R7 143 761.24

The cleaning of our offices is not up to a desired standard. The current budget of R414 688.16 cannot meet the desired cleaning standard and the budget is increased to R3.5m.

TECHNICAL SERVICES

ELECTRICITY

The AG has prohibited our municipality to use its funds for funding electricity. Electrification is the responsibility of both Eskom and the Department of Energy (DOE). The number of households that receive Free Basic Electricity (FBE) is 7 613. For 2012/13 we have allocated R3m for FBE.

We are further allocating R4m from DOE for the completion of Setlaboswana, Madibong/Mashishing, Manotong and Maroge/Marutleng electrification.

HOUSING

Local municipalities are not responsible for housing but the Department of Cooperate Governance, Human Settlements and Traditional Affairs (CoGHSTA). We get allocation from CoGHSTA and we are only required to identify beneficiaries.

We are allocating R7.6m for the extension of municipal offices.

REPAIRS AND MAINTANCE OF ROADS AND BRIDGES

We have complied with the requirements that a minimum of 8% of the operational budget which is R158 843 000, must be put aside for repairs and maintenance. We are therefore allocating R16 126 692 for road maintenance.

MIG PROJECTS

1. Maila Mapitsane = R3 920 000

2. Kutupu Road and Storm Water = R9 016 387.47

3. Vierfontein to Rietfontein Road = R6 216 052.14

4. Moretsele Access Road = R6 493 190.39

5. Vlak/Kome Access Bridge = R4 465 792.87

6. Madibaneng Access Bridge = R4 047 000

CURRENT ONGOING PROJECTS

1.Access Road to Sekwati Tribal Office = R3 200 000.00

2. Access Road to Manganeng tribal office = R2 000 000.00

3. Access Bridge to Seopela tribal Office = R3 950 000.00

4. Access Road to Masemola Tribal Office = R1 000 000.00

EQUITABLE SHARES (ES)

1. Construction of Maololo access Bridge = R5 000 000.00

2. Construction of access road to Seopela = R3 200 000.00

3. Construction of access Road to Mogashoa Manamane and Dithlakaneng = R5 000 000.00

4. Construction of access Road to Maila Mapitsane Tribal Office = R3 920 000.00

5. Construction of access Road to Tisana Tribal Office = R4 000 000.00

6. Construction of access Road to Mampana Tribal office = R3 625 123.00

7. Rehabilitation of R579 Jane Furse road to Nebo = R5000 000.00

8. Access road to Tjatane tribal office = R 300, 000.00

LET US LEARN TO DO MORE WITH THE LITTLE THAT WE HAVE.

THANK YOU!!!!!

1.2 Council resolutions.

LOCAL MUNICIPALITY

COUNCIL RESOULTIONS

Ref: 3/2/1/3

RESOLUTION No. 86 OF 2011/12 FINANCIAL YEAR

AGENDA ITEM: SC/13.6./05/2012 DRAFT IDP/BUDGET 2012/2013-2015/2016

RESOLUTION ON THE ADOPTION OF IDP/BUDGET 2012/2013-2015/2016

NOTING THAT:

1. The Local Government Municipal Systems Act 32 of 2000 section 34 a municipal council must review its integrated development plan annually in accordance with the assessment of its performance measurements in terms of section 41,

2. Local Government Municipal Finance Management Act 56 of 2003 section 24 the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget

2.1 The annual budget for the financial year 2012/2013 and the multi year and single year capital appropriations to the total amount of **R259,715, 309.27** budgeted revenue and **R259,328,682.42** budgeted expenditure. Capital appropriation amount to **R105,313,545.87** and operational expenditure amounts to **R154,015,136.55** as set out in the following tables:

2.1.1 Budget summary as contained in table A1

2.1.2 Budgeted financial performance (revenue and expenditure by standards classification) as contained in table A2.

2.1.3 Budgeted financial performance (revenue and expenditure by municipal vote) as contained in table A3

2.1.4 Budgeted financial performance (revenue by source and expenditure by (revenue by source and expenditure by type) as contained in table A4.

2.1.5 Multi –year and single year capital appropriations by municipal votes and standards classification and associated funding by source as contained in table A5

2.2 The financial position, Cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

2.2.1 Budget financial position as contained in table A6

2.2.2 Budget Cash flows as contained in table A7

2.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in table A8

2.2.4 Asset management as contained in table A9

2.2.5 Basic service delivery measurement as contained in table A10

3. The Council of Makhuduthamaga Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2012:

4. In Compliance with the above mentioned Legislations, Makhuduthamaga Municipal Council at its Special Council Meeting of 31 May 2012, held at Ga-Moretsele

RESOLVED THAT:

- The Integrated Development Plan/Budget 2012/2013-2015/2016 be adopted as tabled.
- The tariffs for property rates be two cents in a rand rate

Mover: Mayor, Cllr. Matlala M.A **Seconder: Cllr. Manchidi M.J**

Speaker: Cllr. Makaleng M.M **Acting Municipal Manager: Mr. ME Moropa**

Signature: _____ **Signature:** _____

Date: _____ **Date:** _____

1.3 Executive Summary.

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's financial management strategies and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken on expenditures of noncore and 'nice to have' items. The municipality has reduced the budget for travel and accommodation from R2 million to R1 million, eliminated usage of consultants on operational programmes, reduced the budget for security services from R11 million to R7.1 million and many other operational expenses in an attempt to save funds to finance the priority service delivery programmes.

The municipality has embarked on implementing a range of revenue enhancement strategies to improve the collection of debt owed by consumers for property rates and to generate revenue from new sources available. Furthermore, the municipality has budgeted to undertake a number of customer care workshops in which customers will among other thing be engaged and shown the importance of their responsibility to pay rates and to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. The workshops will also assist the municipality to gather information on challenges faced by the customers to pay their accounts on time and such information will be used by the management of the municipality to encourage and improve debt collection.

National Treasury's MFMA Circular No. 51, 54, 55, 58 and 59 were used to guide the compilation of the 2012/13 Annual Budget.

- The main challenges experienced during the compilation of the 2012/13 MTREF can be summarised as follows:
    - The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and cash position of the municipality;
    - The municipality's inability to generate enough own revenue to assist in addressing the infrastructure challenges in our communities.
- The following budget principles and guidelines directly informed the compilation of the 2012/13 MTREF:
    - The budget was prepared on a zero base principle.
    - The annual DoRA for 2012 was considered in preparation of our annual budget for 2012/2013 to 2014/2015.

- The 2011/12 Adjustment Budget priorities and targets, as well as the base line allocations contained in that Adjustment Budget were considered as the upper limits for the new baselines for the 2012/13 annual budget;
- Only programmes and capital projects contained in the municipality's Integrated Development Plan will be budgeted for during the 2012/2013, 2013/2014 and 2014/2015 to ensure that the budget remain an implementation tool for the municipality's IDP.
- For the 2012/2013 financial year, tariffs for property rates will be decreased from 3 cents in a rand to 2 cents in a rand to make property rates affordable to our communities and to encourage debtors to pay their accounts.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- Electricity projects will only be funded by the DOE grant.

In view of the aforementioned, the following table is a consolidated overview of the adopted 2012/13 Medium-term Revenue and Expenditure Framework as compared to the past budget year:

Table 1 Consolidated Overview of the 2012/13 MTREF

R thousand	Adjustment budget 2012/2012	Budget year 2012/2013	Budget year +1 2013/2014	Budget year +2 2014/2015
Total Revenue	235,410,769.46	259,715,309.27	281,335,397.79	306,675,933.70
Total Operating Expenditure	154,686,901.96	154,015,136.55	161,287,678.61	172,598,903.93
Operating Surplus/ (Deficit for the year)	80,723,867.50	105,700,172.70	120,047,719.10	134,077,029.80
Capital Expenditure	80,664,019.61	105,313,545.87	117,015,644.60	126,764,397.85

Total revenue has grown by 10.32 per cent or R24, 3 million for the 2012/13 financial year when compared to the 2011/12 Adjustments Budget. For the two outer years, total revenue will increase by 8.32 and 9.01 per cent respectively, equating to a total revenue growth of R71.2 million over the MTREF when compared to the 2011/12 financial year. The total revenue includes the grants allocations from the national treasury.

Total operating expenditure for the 2012/13 financial year has been appropriated at R154 million and translates into an operating budgeted surplus of R105, 7 million as indicated in table A4. When compared to the 2011/12 Adjustments Budget, operational expenditure has dropped by 0.43 per cent in the 2012/13 budget and grown by 4.72 and 7.01 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R120 million and then R134 million respectively. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R105.3 million for 2012/13 has grown by 30.56 per cent when compared to the 2011/12 Adjustment Budget. The increase is due to various prioritised projects to address the

backlog in roads and bridges infrastructure and the renewal of our old existing infrastructure. Due to affordability constraints of the municipality, some of our projects has been allocated budget to be completed in two financial years as indicated in table A5.

The capital expenditure increases to R 117 million in the 2012/13 financial year and then R126 million in 2014/2015. Of the total capital budget an amount of R 41.4 million is funded by MIG for roads and bridges and Sports ground improvements. Electricity projects are funded by DOE grant to the total amount of R4 million and we have a project for access road to Nkosi tribal office which will be funded by EPWP grant to the amount of R966 thousands. The rest of the capital projects and acquisitions of new assets will be funded by equitable share to the amount of R58.9 million

❖ Operating Revenue Framework

For Makhuduthamaga local municipality to continue improving the quality of services provided to its communities it needs to generate the required sustainable revenue to meet its funding requirements. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and high level of unemployment in our municipality. The expenditure required to address these challenges will always exceed available funding; hence difficult choices have to be made in relation to balancing expenditures against realistically anticipated revenues. The fact is that, we cannot increase the property rates tariffs in the near future as we still have very low level of revenue collection for the property rates which make 40 per cent of the total own revenue. The municipality has resolved to reduce the property rates tariffs from 3 cents in a rand to 2 cents in a rand.

In an attempt to ensure a strong revenue base, the municipality has also reviewed its revenue enhancement strategy to improve revenue collection in the 2012/2013 financial year and the two outer years.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs; (e.g. Waste collection project)
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City.

The following table is a summary of the 2012/13 MTREF (classified by main revenue source)

Table 2 Summary of revenue classified by main revenue source

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source											
Property rates	2	–	17,956	24,520	24,047	41,444	41,444	41,444	27,270	29,997	32,996
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		–	–	39	40	100	100	100	100	110	121
Interest earned - external investments		8,575	2,194	3,048	3,500	3,850	3,850	3,850	5,235	5,759	6,334
Interest earned - outstanding debtors		–	–	2,945	–	4,773	4,773	4,773	5,251	5,776	6,353
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		–	–	–	–	–	–	–	–	–	–
Licences and permits		7,024	3,092	2,399	4,000	4,000	4,000	4,000	4,400	4,840	5,324
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		67,705	86,698	114,159	128,589	130,121	130,121	130,121	146,479	156,218	169,631
Other revenue	2	15,956	566	3,588	18,069	6,964	6,964	6,964	25,545	28,126	29,679
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		99,259	110,506	150,699	178,245	191,252	191,252	191,252	214,279	230,825	250,439

Table 3 Percentage growth in revenue by main revenue source

Decription (R thousand)	Current Year 2011/2012		2012/2013 Medium Term Revenue and Expendirure Framework					
	Adjusted budget	%	Budget Year 2012/13	%	Budget Year +1 2013/2014	%	Budget Year +2 2014/2015	%
Revenue By Source								
Property rates	41,444	22%	27,270	13%	29,997	13%	32,996	13%
Property rates - penalties & collection charges								
Service charges - electricity revenue	–		–		–		–	
Service charges - water revenue	–		–		–		–	
Service charges - sanitation revenue	–		–		–		–	
Service charges - refuse revenue	–		–		–		–	
Service charges - other	–		–		–		–	
Rental of facilities and equipment	100	0.00	100	0%	110	0%	121	0%
Interest earned - external investments	3,850	2%	5,235	2%	5,759	2%	6,334	3%
Interest earned - outstanding debtors	4,773	2%	5,251	2%	5,776	3%	6,353	3%
Dividends received	–		–		–		–	
Fines	–		–		–		–	
Licences and permits	4,000	2%	4,400	2%	4,840	2%	5,324	2%
Agency services	–		–		–		–	
Transfers recognised - operational	130,121	68%	146,479	68%	156,218	68%	169,631	68%
Other revenue	6,964	4%	25,545	12%	28,126	12%	29,679	12%
Gains on disposal of PPE								
	191,252	**100%**	214,279	**100%**	230,825	100%	250,439	**100%**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The total revenue for the municipality excluding capital transfers amount to R214, 279 million for 2012/2013, R230, 825 million for 2013/2014 and R250, 438 million for 2014/2015. The total operating revenue has increased by R21, 674 million from 2011/2012 budget year which is as a result of increases in allocations for our equitable share and MSIG grant. The total operating revenue continue to grow by R 17,898 million and R 19,613 million for 2013/2014 and 2014/2015 respectively.

Revenue from government grants forms a significant percentage of the total operating revenue for the municipality for all of the 2012/2013 MTREF. This clearly indicate that our municipality is dependent on government grants which contribute 68% of the total operating revenue in 2011/2012 budget year and across the whole 2012/2013 MTREF.

Revenue generated from rates and service charges forms 28.69% of the total operating revenue of the municipality for 2011/2012 and dropped to20.07%,insignificantly increased to 20.49% and 20.78% for 2012/13, 2013/14 and 2014/15 respectively. The remaining percentage of 3.28%, 11.64%, 11.83% and 11.49% for 2011/12, 2012/13, 2013/14 and 2014/15 respectively if from VAT recovered from SARS to finance other projects.

Revenue from rates and service charges amounted to R54, 867 million for 2011/2012 and dropped to R43, 005 million in 2012/2013 budget year. This is as a result of the council resolution to reduce the property rates tariff from 3 cents in a rand to 2 cents in a rand for the 2012/2013 MTREF to make the rates affordable and to encourage customers to settle their accounts on time. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 49 MBRR SA1.

Other revenue consists of various items such as income received for selling tender documents, VAT recovery and other allocations from LG SITA for skills development.

The operational transfers to an amount of R130,121, R146,479 million, R156,218 million and R169,631 million for 2011/12, 2012/2013, 2013/2014 and 2014/2015 respectively as indicated in table 3 can further be disclosed as follows in table 4 below:

Table 4 Operating transfers and grants receipts

Description	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue &		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
National Transfers								
Equitable share	111,893.00	126,339.00	126,339.00	126,339.00	126,339.00	143,213.00	153,818.00	166,931.00
Finance Management Grant	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,750.00
Municipal Systems Improvement Grant	750.00	750.00	790.00	790.00	790.00	800.00	900.00	950.00
Incentive grant (EPWP)	-	-	1,492.00	1,492.00	1,492.00	966.00	-	-
Total	114,143.00	128,589.00	130,121.00	130,121.00	130,121.00	146,479.00	156,218.00	169,631.00

❖ Operating Expenditure Framework

The municipality's expenditure framework for the 2012/2013 budget and MTREF is informed by the following:

- The infrastructure projects plan in the IDP to address the backlog and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to backlog eradication plan;
- Operational gains/ surpluses will be directed to funding the capital budget.
- Funding was allocated to only projects which have projects implementation plans to guard against under spending.

The following table is a high level summary of the 2012/2013 budget and MTREF (classified per main type of operating expenditure):

Table 5 Summary of operating expenditure by standard classification item

Expenditure By Type											
Employee related costs	2	9,504	13,896	17,307	39,742	33,121	33,121	33,121	45,038	47,560	50,129
Remuneration of councillors		10,695	13,598	13,670	15,840	13,801	13,801	13,801	15,045	15,888	16,746
Debt impairment	3	–	2,566	4,049	–	29,588	29,588	29,588	9,038	9,544	10,059
Depreciation & asset impairment	2	5,547	5,072	10,878	3,188	3,188	3,188	3,188	5,500	5,808	6,122
Finance charges		–	87	100	300	110	110	110	116	122	129
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8										
Contracted services		4,186	15,969	15,593	11,682	32,051	32,051	32,051	28,720	30,204	33,190
Transfers and grants		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	–	60,848	37,912	48,547	43,528	43,528	43,528	50,557	52,162	56,224
Loss on disposal of PPE											
Total Expenditure		29,932	112,036	99,509	119,300	155,387	155,387	155,387	154,015	161,288	172,599

The budgeted allocation for employee related costs for the 2012/2013 financial year totals R45, 038 million, which equals 29.24 per cent of the total operating expenditure. The period of the Salary and Wage Collective Agreement 2009/10 to 2011/12 lapses at the end of June 2012. With the absence of other information from the South African Local Government Bargaining Council, our municipality has budgeted a 5.4% cost of living increase adjustment for 2012/2013 to be implemented from 1 July 2012 for all section 55 employees. An increase of 5.6% and 5.4% has been included in the outer years respectively. The total salaries budget for the municipal employees has increased from R 33 million in 2011/2012 to 45 million in 2012/2013 which reflects an increase of 35.98%. This is as a result of additional posts that have been included in the budget for 2012/13 which were not funded during 2011/2012 though they were on the municipality structure.

For section 57 employees we have budgeted a 9% increase for 2012/2013 financial year. As part of the municipality's cost reprioritization and cash management strategy to make enough funds available to fund capital projects, non critical vacancies on the municipal structure were not funded. In addition expenditure for overtime was only budgeted for the municipal drivers and political offices personnel for emergencies.

It is noted that the labour unions are still in negotiations with SALGA on remuneration increase and any outcome which may affect our budget will be taken care of during the adjustment budget in January 2013.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality budget and a provision for increases for 2012/2013 have been made at10%.

The provision of debt impairment for 2012/2013 was determined based on an annual collection rate of 36.67 per cent or R10 million and the Debt Write-off Policy of the municipality. For the 2013/14 financial year this amount equates to R9, 543 million and escalates to R10, 059 by 2014/15. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy and GRAP 17. Budget appropriations in this regard total R5, 500 million for the 2012/2013 financial year and equates to 3.57 per cent of the total operating expenditure.

Finance charges consist primarily of the bank service charges for the primary account transactions. Finance charges make up 0.08 per cent (R115 thousands) of operating expenditure. The municipality is not planning to use borrowing funds to fund its projects in the near future due to revenue generation incapacity and collection challenges.

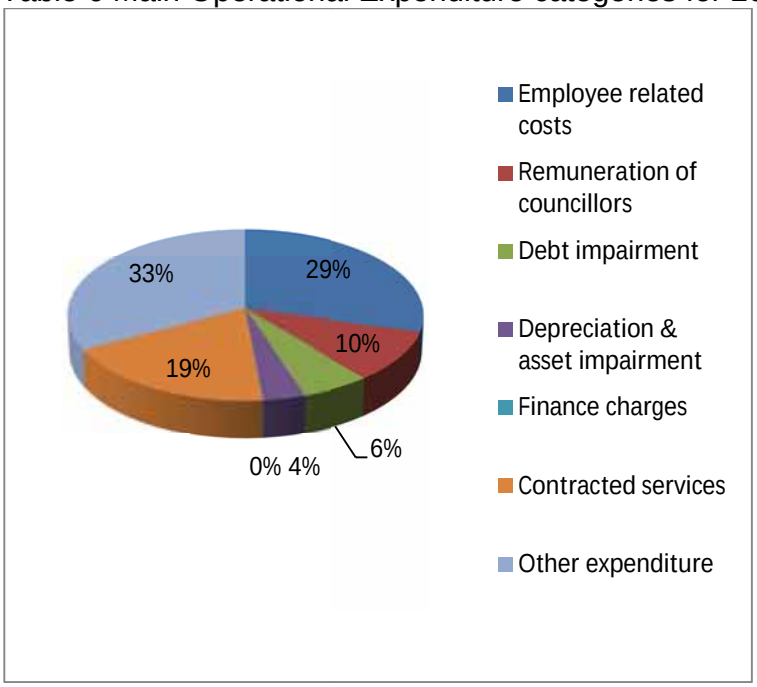
Contracted services comprises of security services, cleaning services, repairs and maintenance for infrastructure assets and operating leases for office equipments and machinery. A saving has been made on security services which was reduced from R11 million in 2011/2012 to R7 million in 2012/2013. The expenditure for security services slightly increases to R7, 5 million and R7.9 million for 2013/2014 and 2014/2015 respectively. The budget for cleaning services has been significantly increased from R414 thousands in 2011/2012 to R3, 5 million in 2012/2013 financial year to meet the cleaning standards required for our municipal offices, municipal testing stations, and all municipal libraries and community halls. The budget for repairs and maintenance was provided at 11.41 percent of the total operational expenditure for the 2012/2013 financial year. It increases by 4.8 per cent and12.75 per cent in 2013/2014 and 2014/2015.

Other expenditure comprises of various line items relating to the daily operations of the municipality. Amongst other expenditures comprised in this group of expenditures for 2012/2013 financial year, we have budgeted incentives for ward committees at R3.7 million, training and capacity building of

councillors and ward committees at R1,5 million, mayor's special programmes at R2 million, publications and branding of the municipality at R1.3 million, Audit feesatR1.8 million, revenue collection costs at R1 million, bursary fund at R2 million, travel and accommodation at R1million,acquisition of land and land scarping at R1.7 million, SMME support and LED programmes at R3 million, free basic electricity at R3 million, waste management programmes at R7.2 million, disaster management programmes and sports and culture promotions at R2.2 million. This group of expenditure grows with 3.62 per cent and7.35 per cent in 2013/2014 and 2014/2015 financial years respectively considering all reasonable steps to ensure that unnecessary nice to have costs have been eliminated from the budget.

The following bar chart gives a breakdown of the main expenditure categories for the 2011/12 financial year.

Table 6 Main Operational Expenditure categories for 2012/2013 financial year



Priority given to repairs and maintenance

Considering national treasury circular number 54, 55, 58 and 59 our municipality has put repairs and maintenance as one of the priorities to preserving and maintaining the municipality's current infrastructure, to ensure that the existing assets are good working conditions and to lengthen the assets life span. The 2012/13 budget and MTREF provide for a growth in the area of asset maintenance, as informed by the repairs and maintenance plan of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. In our municipality's case, all repairs and maintenance services for our infrastructure assets will be done through contracted services as indicated in table SA1 of the A schedule.

Free Basic Services: Electricity tokens

The municipality gives free basic electricity tokens to poor households within the municipal jurisdictions to assist them as they cannot afford the electricity costs. Our municipality does not have a licence to sell electricity and therefore buys the tokens from Eskom for the affected households who registered with the municipality. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. The target is to register 100 000 or more indigent households during the 2012/13 financial year, a process which is reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 16 MBRR Table A10 (Basic Service Delivery Measurement)

The cost of the free basic electricity of the registered indigent households is financed through the local government equitable share received in terms of the annual Division of Revenue Act.

Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 3 2011/12 Medium-term capital budget per vote

Decription (R thousand)	Current Year 2011/2012		2012/2013 Medium Term Capital Expendirure per vote					
	Adjusted budget	%	Budget Year 2012/13	%	Budget Year +1 2013/2014	%	Budget Year +2 2014/2015	%
Revenue By Source								
Vote 3 - Economic Development and Planning	500	1%	1,650	2%	–	0%	–	0%
Vote 4 - Infrastructure Development	77,414	96%	90,900	86%	104,283	89%	120,255	95%
Vote 5 - Community Services	–	0%	7,915	8%	7,085	6%	557	0%
Vote 6 - Corporate Services	1,250	2%	3,500	3%	2,640	2%	2,783	2%
Vote 7 - Budget and Treasury	1,500	2%	1,349	1%	3,008	3%	3,171	3%
Total	80,664	100%	105,314	100%	117,016	100%	126,764	100%

For 2012/2013 an amount of R105, 314 million has been appropriated for the capital expenditure which will be funded by MIG, DOE grant, EPWP grant and equitable share. For 2013/2014 and 2014/2015 the budget has been appropriated at R 117,016 million and R125, 754 million respectively. This amounts to an overall increase of 55.91 per cent from 2011/2012 to 2014/2015.

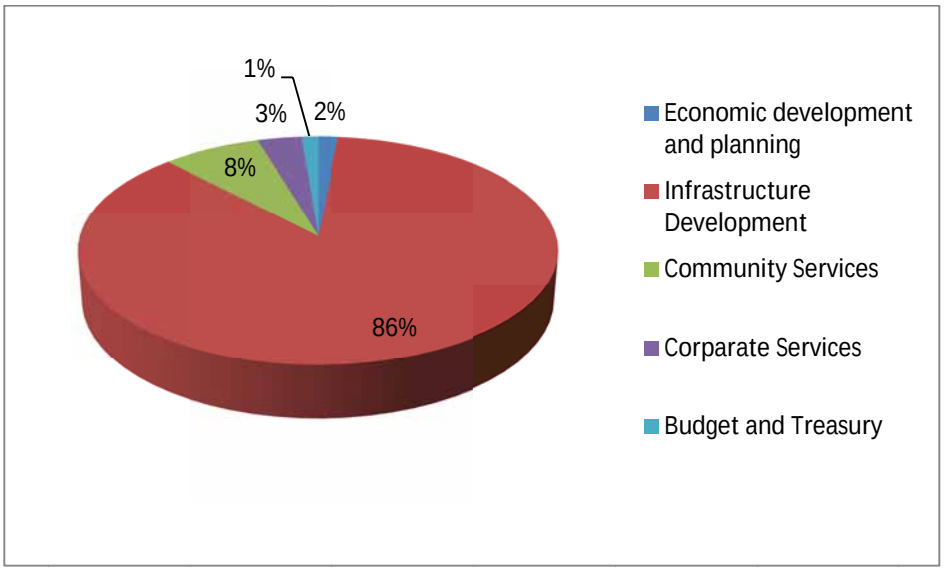
Infrastructure and development vote is appropriated the highest allocation of R 90 million in 2012/2013 which equates to 86 per cent of the total capital budget, followed by community services at 8% per cent of the total capital budget . the remaining 6 per cent is allocated to economic development and planning at 2 per cent, corporate services at 3 per cent and budget and treasury vote at 1per cent.

Renewal of existing assets has been allocating R5 million for 2012/2013 which is 4.75 percent of the total capital budget. For 2013/14 and 2014/15 the expenditure for renewal of existing assets insignificantly increases to R5.1 million and R5.6 million respectively. Total budget appropriated for new assets amount to 95.25 per cent or R100,314 million of the total capital budget for 2012/2013 financial year. Further detail relating to asset classes and proposed capital expenditure is contained in Table 15 MBRR Table A9 (Asset Management). In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class. Some of the projects to be undertaken over the medium-term includes, amongst others:

- Construction of roads, bridges and storm water – R78.3 million
- Electricity projects – R 5.8 million
- Electricity projects – R 5.8 million
- Acquisition of plant – R1.5 million
- Community Assets – R7.9 million

Furthermore pages 92 to 96 contain a detail breakdown of the capital budget per project over the medium-term.

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



1.4 ANNUAL BUDGET TABLES (A1 to A10)

The following are the ten main A schedule tables for the annual budget of Makhuduthamaga municipality for the2012/2013 MTREF.

1.4.1 Table 7 MBRR A1 – Annual Budget Summary

LIM473 Makhuduthamaga - Table A1 Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Financial Performance										
Property rates	–	17,956	24,520	24,047	41,444	41,444	41,444	27,270	29,997	32,996
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	8,575	2,194	3,048	3,500	3,850	3,850	3,850	5,235	5,759	6,334
Transfers recognised - operational	67,705	86,698	114,159	128,589	130,121	130,121	130,121	146,479	156,218	169,631
Other own revenue	22,980	3,659	8,971	22,109	15,837	15,837	15,837	35,296	38,852	41,477
Total Revenue (excluding capital transfers and contributions)	99,259	110,506	150,699	178,245	191,252	191,252	191,252	214,279	230,825	250,439
Employee costs	9,504	13,896	17,307	39,742	33,121	33,121	33,121	45,038	47,560	50,129
Remuneration of councillors	10,695	13,598	13,670	15,840	13,801	13,801	13,801	15,045	15,888	16,746
Depreciation & asset impairment	5,547	5,072	10,878	3,188	3,188	3,188	3,188	5,500	5,808	6,122
Finance charges	–	87	100	300	110	110	110	116	122	129
Materials and bulk purchases	–	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	4,186	79,383	57,553	60,229	105,167	105,167	105,167	88,315	91,909	99,474
Total Expenditure	29,932	112,036	99,509	119,300	155,387	155,387	155,387	154,015	161,288	172,599
Surplus/(Deficit)	69,327	(1,530)	51,189	58,945	35,865	35,865	35,865	60,264	69,538	77,840
Transfers recognised - capital	–	30,330	33,401	41,659	44,159	44,159	44,159	45,436	50,510	56,237
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	69,327	28,800	84,590	100,604	80,024	80,024	80,024	105,700	120,048	134,077
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	69,327	28,800	84,590	100,604	80,024	80,024	80,024	105,700	120,048	134,077
Capital expenditure & funds sources										
Capital expenditure	34,709	58,482	65,938	100,582	80,664	80,664	80,664	105,314	117,016	126,764
Transfers recognised - capital	34,709	58,482	65,938	100,582	80,664	80,664	80,664	105,314	117,016	126,764
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–	–
Total sources of capital funds	34,709	58,482	65,938	100,582	80,664	80,664	80,664	105,314	117,016	126,764
Financial position										
Total current assets	76,473	89,561	126,850	86,876	161,037	161,037	161,037	134,635	136,796	141,996
Total non current assets	160,373	154,219	207,445	342,991	323,073	323,073	323,073	428,387	545,402	672,167
Total current liabilities	10,408	19,516	27,274	1,005	25,000	25,000	25,000	29,000	31,900	35,090
Total non current liabilities	–	–	–	1,440	32,588	32,588	32,588	9,038	9,544	10,059
Community wealth/Equity	226,438	224,265	307,021	427,422	480,104	480,104	480,104	524,984	640,755	769,014
Cash flows										
Net cash from (used) operating	62,404	45,313	75,441	100,604	73,252	73,252	73,252	97,717	110,127	122,408
Net cash from (used) investing	(81,723)	(32,492)	(65,938)	(100,582)	(80,664)	(80,664)	(80,664)	(104,964)	(117,016)	(126,764)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	52,358	65,178	74,681	47,929	67,269	67,269	67,269	60,023	53,134	48,778
Cash backing/surplus reconciliation										
Cash and investments available	100,773	65,178	74,681	47,929	115,198	115,198	115,198	60,023	53,134	48,778
Application of cash and investments	(13,536)	19,165	17,288	(37,942)	(9,538)	(9,538)	(9,538)	(18,614)	(20,904)	(23,115)
Balance - surplus (shortfall)	114,309	46,014	57,392	85,871	124,736	124,736	124,736	78,637	74,038	71,893
Asset management										
Asset register summary (WDV)	–	–	–	179,823	179,823	179,823	280,136	280,136	392,052	513,206
Depreciation & asset impairment	5,547	5,072	10,878	3,188	3,188	3,188	5,500	5,500	5,808	6,122
Renewal of Existing Assets	–	–	–	3,000	4,054	4,054	4,054	5,000	5,100	5,610
Repairs and Maintenance	4,186	13,179	11,507	11,682	19,132	19,132	17,577	17,577	18,436	20,787
Free services										
Cost of Free Basic Services provided	1,800	2,000	2,500	3,000	3,000	3,000	3,000	3,000	3,168	3,339
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
Households below minimum service level										
Water:	39	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	9	–	–	–	–	–	–	–	–	–
Energy:	20	–	–	–	–	–	–	–	–	–
Refuse:	53	–	–	–	–	–	–	–	–	–

1.4.2 Table 8 MBRR A2 – Budgeted Financial Performance (Standard Classification)

LIM473 Makhuduthamaga - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard										
Governance and administration		99,259	140,836	184,100	219,904	235,411	235,411	259,715	281,335	306,676
Executive and council		–	–	–	–	–	–	–	–	–
Budget and treasury office		99,259	140,836	184,100	219,904	235,411	235,411	259,715	281,335	306,676
Corporate services		–	–	–	–	–	–	–	–	–
Community and public safety		–	–	–	–	–	–	–	–	–
Community and social services		–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		–	–	–	–	–	–	–	–	–
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	–	–	–	–	–	–	–	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	99,259	140,836	184,100	219,904	235,411	235,411	259,715	281,335	306,676
Expenditure - Standard										
Governance and administration		58,024	63,715	95,198	75,370	113,428	113,428	103,776	108,503	114,363
Executive and council		8,248	29,845	25,062	29,643	28,506	28,506	34,493	36,424	38,391
Budget and treasury office		29,578	15,452	44,567	20,897	55,634	55,634	51,142	53,978	56,894
Corporate services		20,199	18,418	25,569	24,830	29,287	29,287	18,141	18,101	19,078
Community and public safety		686	15,221	7,476	21,363	12,919	12,919	21,038	14,318	16,705
Community and social services		–	335	2,582	2,791	3,003	3,003	4,227	4,486	4,758
Sport and recreation		–	1,040	890	1,000	901	901	1,500	1,584	3,254
Public safety		338	11,770	3,545	8,472	5,515	5,515	7,711	8,142	8,582
Housing		347	2,076	458	9,100	3,500	3,500	7,600	106	111
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		24,226	33,531	38,870	95,188	89,193	89,193	117,273	137,200	147,388
Planning and development		–	4,231	3,068	9,299	6,202	6,202	12,021	10,213	10,764
Road transport		24,226	29,300	35,802	85,889	82,991	82,991	105,252	126,987	136,623
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		1,029	17,900	23,903	27,961	19,811	19,811	17,241	18,282	20,908
Electricity		1,029	16,815	22,395	21,187	15,537	15,537	9,338	9,936	12,111
Water		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	1,085	1,508	6,774	4,274	4,274	7,903	8,346	8,796
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	83,964	130,368	165,447	219,882	235,351	235,351	259,329	278,303	299,363
Surplus/(Deficit) for the year		15,294	10,468	18,652	22	60	60	387	3,032	7,313

1.4.3 Table 9MBRR A3 – Budgeted Financial Performance (Municipal Vote)

LIM473 Makhuduthamaga - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote	1									
Vote 1 - Coucil		–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		–	–	–	–	–	–	–	–	–
Vote 4 - Infrastructure Development		–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		–	–	–	–	–	–	–	–	–
Vote 6 - Corporate Services		–	–	–	–	–	–	–	–	–
Vote 7 - Budget and Treasury		99,259	140,836	184,100	219,904	235,411	235,411	259,715	281,335	306,676
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	99,259	140,836	184,100	219,904	235,411	235,411	259,715	281,335	306,676
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Coucil		5,743	20,985	22,089	23,180	23,932	23,932	31,153	32,898	34,675
Vote 2 - Office of the Municipal Manager		2,505	8,859	2,973	6,464	4,574	4,574	3,339	3,526	3,717
Vote 3 - Economic Development and Planning		–	4,231	3,068	9,299	6,202	6,202	12,021	10,213	10,764
Vote 4 - Infrastructure Development		25,602	48,192	58,655	116,176	102,028	102,028	122,190	137,029	148,846
Vote 5 - Community Services		338	14,230	8,526	19,038	13,693	13,693	21,341	22,558	25,390
Vote 6 - Corporate Services		20,199	18,418	25,569	24,830	29,287	29,287	18,141	18,101	19,078
Vote 7 - Budget and Treasury		29,578	15,452	44,567	20,897	55,634	55,634	51,142	53,978	56,894
Vote 8 -		–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	83,964	130,368	165,447	219,882	235,351	235,351	259,329	278,303	299,363
Surplus/(Deficit) for the year	2	15,294	10,468	18,652	22	60	60	387	3,032	7,313

1.4.4 Table 10 MBRR A4 – Budgeted Financial Performance (Operational Revenue and Expenditure)

LIM473 Makhuduthamaga - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source											
Property rates	2	–	17,956	24,520	24,047	41,444	41,444	41,444	27,270	29,997	32,996
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		–	–	39	40	100	100	100	100	110	121
Interest earned - external investments		8,575	2,194	3,048	3,500	3,850	3,850	3,850	5,235	5,759	6,334
Interest earned - outstanding debtors		–	–	2,945	–	4,773	4,773	4,773	5,251	5,776	6,353
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		–	–	–	–	–	–	–	–	–	–
Licences and permits		7,024	3,092	2,399	4,000	4,000	4,000	4,000	4,400	4,840	5,324
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		67,705	86,698	114,159	128,589	130,121	130,121	130,121	146,479	156,218	169,631
Other revenue	2	15,956	566	3,588	18,069	6,964	6,964	6,964	25,545	28,126	29,679
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		99,259	110,506	150,699	178,245	191,252	191,252	191,252	214,279	230,825	250,439
Expenditure By Type											
Employee related costs	2	9,504	13,896	17,307	39,742	33,121	33,121	33,121	45,038	47,560	50,129
Remuneration of councillors		10,695	13,598	13,670	15,840	13,801	13,801	13,801	15,045	15,888	16,746
Debt impairment	3	–	2,566	4,049	–	29,588	29,588	29,588	9,038	9,544	10,059
Depreciation & asset impairment	2	5,547	5,072	10,878	3,188	3,188	3,188	3,188	5,500	5,808	6,122
Finance charges		–	87	100	300	110	110	110	116	122	129
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8										
Contracted services		4,186	15,969	15,593	11,682	32,051	32,051	32,051	28,720	30,204	33,190
Transfers and grants		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	–	60,848	37,912	48,547	43,528	43,528	43,528	50,557	52,162	56,224
Loss on disposal of PPE											
Total Expenditure		29,932	112,036	99,509	119,300	155,387	155,387	155,387	154,015	161,288	172,599
Surplus/(Deficit)		69,327	(1,530)	51,189	58,945	35,865	35,865	35,865	60,264	69,538	77,840
Transfers recognised - capital			30,330	33,401	41,659	44,159	44,159	44,159	45,436	50,510	56,237
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		69,327	28,800	84,590	100,604	80,024	80,024	80,024	105,700	120,048	134,077
Taxation											
Surplus/(Deficit) after taxation		69,327	28,800	84,590	100,604	80,024	80,024	80,024	105,700	120,048	134,077
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		69,327	28,800	84,590	100,604	80,024	80,024	80,024	105,700	120,048	134,077
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		69,327	28,800	84,590	100,604	80,024	80,024	80,024	105,700	120,048	134,077

1.4.5 Table 11 MBRR A5 – Budgeted Capital Expenditure (By Vote & Standard Classification)

LIM473 Makhuduthamaga - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Coucil		–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		–	–	–	–	–	–	–	–	–	–
Vote 4 - Infrastructure Development		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 6 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 7 - Budget and Treasury		–	–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*	2										
Vote 1 - Coucil		–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		–	–	–	1,500	500	500	500	1,650	–	–
Vote 4 - Infrastructure Development		23,684	54,070	62,598	96,932	77,414	77,414	77,414	90,400	104,283	120,255
Vote 5 - Community Services		–	2,912	–	–	–	–	–	6,915	7,085	557
Vote 6 - Corporate Services		–	500	2,074	1,250	1,250	1,250	1,250	3,500	2,640	2,783
Vote 7 - Budget and Treasury		11,025	1,000	1,267	900	1,500	1,500	1,500	2,849	3,008	3,171
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		34,709	58,482	65,938	100,582	80,664	80,664	80,664	105,314	117,016	126,764
Total Capital Expenditure - Vote		34,709	58,482	65,938	100,582	80,664	80,664	80,664	105,314	117,016	126,764
Capital Expenditure - Standard											
Governance and administration		11,025	1,500	3,341	2,150	2,750	2,750	2,750	6,349	5,648	5,953
Executive and council		–	–		–	–	–	–	–	–	–
Budget and treasury office		11,025	1,000	1,267	900	1,500	1,500	1,500	2,849	3,008	3,171
Corporate services		–	500	2,074	1,250	1,250	1,250	1,250	3,500	2,640	2,783
Community and public safety		–	2,912	4,505	8,100	2,500	2,500	2,500	14,415	7,085	557
Community and social services		–	–	–	–	–	–	–	200	–	–
Sport and recreation		–	–	–	–	–	–	–	6,215	6,557	–
Public safety		–	2,912		–	–	–	–	500	528	557
Housing		–	–	4,505	8,100	2,500	2,500	2,500	7,500	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		21,581	53,041	34,835	72,470	63,452	63,452	63,452	78,750	98,083	112,082
Planning and development		–	–		1,500	500	500	500	1,650	–	–
Road transport		21,581	53,041	34,835	70,970	62,952	62,952	62,952	77,100	98,083	112,082
Environmental protection		–	–		–	–	–	–	–	–	–
Trading services		2,104	1,029	23,258	17,863	11,963	11,963	11,963	5,800	6,200	8,173
Electricity		1,029	1,029	23,258	17,863	11,963	11,963	11,963	5,800	6,200	8,173
Water		1,075			–	–	–	–	–	–	–
Waste water management					–	–	–	–	–	–	–
Waste management					–	–	–	–	–	–	–
Other					–	–	–	–	–	–	–
Total Capital Expenditure - Standard	3	34,709	58,482	65,938	100,582	80,664	80,664	80,664	105,314	117,016	126,764
Funded by:											
National Government		34,709	58,482	65,938	100,582	80,664	80,664	80,664	105,314	117,016	126,764
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	34,709	58,482	65,938	100,582	80,664	80,664	80,664	105,314	117,016	126,764
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		–	–	–	–	–	–	–	–	–	–
Total Capital Funding	7	34,709	58,482	65,938	100,582	80,664	80,664	80,664	105,314	117,016	126,764

1.4.6 Table 12 MBRR A6 – Budgeted Financial Position

LIM473 Makhuduthamaga - Table A6 Budgeted Financial Position

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
ASSETS											
Current assets											
Cash		52,358	65,178	74,681	47,929	115,198	115,198	115,198	60,023	53,134	48,778
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	17,626	14,135	35,025	38,947	74,391	74,391	74,391	83,429	92,972	103,031
Other debtors		6,275	10,134	16,667	–	–	–	–			
Current portion of long-term receivables		21	–		–	–	–	–			
Inventory	2	195	114	477	–	1,035	1,035	1,035	221	234	246
Total current assets		76,473	89,561	126,850	86,876	190,624	190,624	190,624	143,673	146,340	152,055
Non current assets											
Long-term receivables		44			–	–	–	–			
Investments		48,415	–		–	–	–	–			
Investment property											
Investment in Associate											
Property, plant and equipment	3	111,914	154,219	207,445	342,991	323,073	323,073	323,073	428,387	545,402	672,167
Agricultural											
Biological											
Intangible											
Other non-current assets											
Total non current assets		160,373	154,219	207,445	342,991	323,073	323,073	323,073	428,387	545,402	672,167
TOTAL ASSETS		236,847	243,780	334,295	429,868	513,697	513,697	513,697	572,059	691,742	824,222
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits											
Trade and other payables	4	10,408	19,516	27,274	1,005	1,005	1,005	1,005	1,040	963	1,064
Provisions											
Total current liabilities		10,408	19,516	27,274	1,005	1,005	1,005	1,005	1,040	963	1,064
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		–	–	–	1,440	32,588	32,588	32,588	9,038	9,544	10,059
Total non current liabilities		–	–	–	1,440	32,588	32,588	32,588	9,038	9,544	10,059
TOTAL LIABILITIES		10,408	19,516	27,274	2,445	33,593	33,593	33,593	10,078	10,506	11,123
NET ASSETS	5	226,438	224,265	307,021	427,422	480,104	480,104	480,104	561,981	681,236	813,099
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		225,897	224,265	307,021	427,422	480,104	480,104	480,104	561,981	681,236	813,099
Reserves	4	541	–	–	–	–	–	–	–	–	–
Minorities' interests		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	226,438	224,265	307,021	427,422	480,104	480,104	480,104	561,981	681,236	813,099

1.4.7 Table 13 MBRR A7 – Budgeted Cash Flows

LIM473 Makhuduthamaga - Table A7 Budgeted Cash Flows

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		22,980	313	6,470	46,156	44,156	44,156	44,156	40,045	43,576	46,624
Government - operating	1	67,705	86,698	114,159	128,589	130,121	130,121	130,121	146,479	156,218	169,631
Government - capital	1	13,475	28,401	33,401	41,659	44,159	44,159	44,159	45,436	50,510	56,237
Interest		8,575	2,194	5,993	3,500	8,623	8,623	8,623	5,235	5,759	6,334
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(50,330)	(72,293)	(84,582)	(119,000)	(153,697)	(153,697)	(153,697)	(139,362)	(145,814)	(156,289)
Finance charges					(300)	(110)	(110)	(110)	(116)	(122)	(129)
Transfers and Grants	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		62,404	45,313	75,441	100,604	73,252	73,252	73,252	97,717	110,127	122,408
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	350	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		(48,088)	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(33,634)	(32,492)	(65,938)	(100,582)	(80,664)	(80,664)	(80,664)	(105,314)	(117,016)	(126,764)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(81,723)	(32,492)	(65,938)	(100,582)	(80,664)	(80,664)	(80,664)	(104,964)	(117,016)	(126,764)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		(19,319)	12,821	9,502	22	(7,412)	(7,412)	(7,412)	(7,246)	(6,889)	(4,356)
Cash/cash equivalents at the year begin:	2	71,676	52,358	65,178	47,907	74,681	74,681	74,681	67,269	60,023	53,134
Cash/cash equivalents at the year end:	2	52,358	65,178	74,681	47,929	67,269	67,269	67,269	60,023	53,134	48,778

1.4.8 Table 14 MBRR A8 – Cash backed reserves/Accumulated surplus reconciliation

LIM473 Makhuduthamaga - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash and investments available											
Cash/cash equivalents at the year end	1	52,358	65,178	74,681	47,929	67,269	67,269	67,269	60,023	53,134	48,778
Other current investments > 90 days		–	–	0	–	47,929	47,929	47,929	–	–	–
Non current assets - Investments	1	48,415	–	–	–	–	–	–	–	–	–
Cash and investments available:		100,773	65,178	74,681	47,929	115,198	115,198	115,198	60,023	53,134	48,778
Application of cash and investments											
Unspent conditional transfers		–	11,300	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	(13,536)	7,865	17,288	(37,942)	(56,341)	(56,341)	(56,341)	(52,358)	(57,882)	(63,438)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(13,536)	19,165	17,288	(37,942)	(56,341)	(56,341)	(56,341)	(52,358)	(57,882)	(63,438)
Surplus(shortfall)		114,309	46,014	57,392	85,871	171,539	171,539	171,539	112,380	111,016	112,216

1.4.9 Table 15 MBRR table A9 – Asset Management

LIM473 Makhuduthamaga - Table A9 Asset Management

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CAPITAL EXPENDITURE										
Total New Assets	1	43,346	58,482	65,938	97,582	76,610	76,610	100,314	111,916	121,154
Infrastructure - Road transport		27,230	53,041	34,835	67,970	58,898	58,898	72,600	92,983	106,472
Infrastructure - Electricity		3,931	1,029	23,258	17,863	11,963	11,963	5,800	6,200	8,173
Infrastructure - Water		1,160	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		*32,321*	*54,070*	*58,093*	*85,832*	*70,860*	*70,860*	*78,400*	*99,183*	*114,645*
Community		–	–	–	1,500	500	500	9,065	6,557	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	11,025	4,412	7,845	10,250	5,250	5,250	12,849	6,176	6,510
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	–	–	–	3,000	4,054	4,054	5,000	5,100	5,610
Infrastructure - Road transport		–	–	–	3,000	4,054	4,054	5,000	5,100	5,610
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	*3,000*	*4,054*	*4,054*	*5,000*	*5,100*	*5,610*
Community		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4									
Infrastructure - Road transport		27,230	53,041	34,835	70,970	62,952	62,952	77,600	98,083	112,082
Infrastructure - Electricity		3,931	1,029	23,258	17,863	11,963	11,963	5,800	6,200	8,173
Infrastructure - Water		1,160	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		*32,321*	*54,070*	*58,093*	*88,832*	*74,914*	*74,914*	*83,400*	*104,283*	*120,255*
Community		–	–	–	1,500	500	500	9,065	6,557	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		11,025	4,412	7,845	10,250	5,250	5,250	12,849	6,176	6,510
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	43,346	58,482	65,938	100,582	80,664	80,664	105,314	117,016	126,764
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		–	–	–	103,742	103,742	103,742	176,341	269,324	375,796
Infrastructure - Electricity		–	–	–	1,950	1,950	1,950	7,750	13,950	22,123
Infrastructure - Water		–	–	–	43,519	43,519	43,519	43,519	43,519	43,519
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	13,758	13,758	13,758	13,758	13,758	13,758
Infrastructure		–	–	–	*162,968*	*162,968*	*162,968*	*241,368*	*340,551*	*455,196*
Community										
Heritage assets										
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	16,854	16,854	16,854	38,768	51,501	58,011
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	–	–	–	179,823	179,823	179,823	280,136	392,052	513,206
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		5,547	5,072	10,878	3,188	3,188	3,188	5,500	5,808	6,122
Repairs and Maintenance by Asset Class	3	–	–	–	11,682	18,182	18,182	17,577	18,436	20,787
Infrastructure - Road transport		–	–	–	7,182	13,682	13,682	16,127	16,905	18,751
Infrastructure - Electricity		–	–	–	500	500	500	200	211	223
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	800	800	800	–	–	–
Infrastructure		–	–	–	*8,482*	*14,982*	*14,982*	*16,327*	*17,116*	*18,973*
Community		–	–	–	2,000	2,000	2,000	400	422	868
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	–	–	–	1,200	1,200	1,200	850	898	946
TOTAL EXPENDITURE OTHER ITEMS		5,547	5,072	10,878	14,870	21,370	21,370	23,077	24,244	26,909
Renewal of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*3.0%*	*5.0%*	*5.0%*	*4.7%*	*4.4%*	*4.4%*
Renewal of Existing Assets as % of deprecn"		*0.0%*	*0.0%*	*0.0%*	*94.1%*	*127.2%*	*127.2%*	*90.9%*	*87.8%*	*91.6%*
R&M as a % of PPE		*0.0%*	*0.0%*	*0.0%*	*3.4%*	*5.6%*	*5.6%*	*4.1%*	*3.4%*	*3.1%*
Renewal and R&M as a % of PPE		*0.0%*	*0.0%*	*0.0%*	*8.0%*	*12.0%*	*12.0%*	*8.0%*	*6.0%*	*5.0%*

1.4.10 Table 16 MBRR table A10 – Basic Service delivery measurement

LIM473 Makhuduthamaga - Table A10 Basic service delivery measurement

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets	1									
Water:										
Piped water inside dwelling		495	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		5,218	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	8,703	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		14,416	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	9,952	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	28,789	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		38,741	–	–	–	–	–	–	–	–
Total number of households	5	53,157	–	–	–	–	–	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		9,952	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		28,789	–	–	–	–	–	–	–	–
Chemical toilet		979	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		4,674	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		37,441	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		81,835	–	–	–	–	–	–	–	–
Bucket toilet		–								
Other toilet provisions (< min.service level)		–								
No toilet provisions		8,515								
Below Minimum Service Level sub-total		8,515	–	–	–	–	–	–	–	–
Total number of households	5	90,350	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	1,303	1,303	1,303			
Electricity - prepaid (min.service level)		33,918	–	–	–	–	–			
Minimum Service Level and Above sub-total		33,918	–	–	1,303	1,303	1,303	–	–	–
Electricity (< min.service level)		–								
Electricity - prepaid (< min. service level)		–								
Other energy sources		20,280								
Below Minimum Service Level sub-total		20,280	–	–	–	–	–	–	–	–
Total number of households	5	54,198	–	–	1,303	1,303	1,303	–	–	–
Refuse:										
Removed at least once a week										
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		47,758	–	–	–	–	–	–	–	–
Other rubbish disposal			–	–	–	–	–	–	–	–
No rubbish disposal		5,643	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		53,401	–	–	–	–	–	–	–	–
Total number of households	5	53,401	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		18,655	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		9,000	9,000	9,981	9,981	9,981	9,981	9,981	9,981	9,981
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided (R'000)	8	–	–	–	–	–	–	–	–	–
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		1,800	2,000	2,500	3,000	3,000	3,000	3,000	3,168	3,339
Refuse (removed once a week)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided (minimum social package)		1,800	2,000	2,500	3,000	3,000	3,000	3,000	3,168	3,339
Highest level of free service provided										
Property rates (R value threshold)		–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		–	–	–	50	50	50	50	50	50
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		–	–	–	–	–	–	–	–	–
Property rates (other exemptions, reductions and rebates)		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Electricity/other energy		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of free services provided (total social package)		–	–	–	–	–	–	–	–	–

PART 2 – SUPPORTING DOCUMENTS

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the City's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2010) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 31 August 2011. Key dates applicable to the process were:

Activities	Target date
Preparatory phase	
Review and finalization of the IDP Process Plan with the guidance of the MFMA and Municipal Systems Act Consultation on the District framework and Process Plan with stakeholders Tabling of the 2012/13 IDP/Budget Process Plan as well as the District framework to Council for noting	June/July 2011
Preparation and submission of Annual financial statements for 2010/11 to Auditor General IDP Process Plan made public Ward to ward based data collection Collate information from ward based data	August 2011

Analysis phase	
Council determines strategic objectives for service delivery through IDP Review processes Determine revenue projections and proposed tariffs and initial allocations per function and department for 2012/13 financial year Consult with Provincial and National Sector departments on Sector specific programmes for alignment Finalize ward based data Update Council Structures on updated data	September 2011
Strategies phase	
Quarterly review(1st)of 2011/12 IDP/Budget, related policies,amendments,any related consultative process Begin preliminary preparations on proposed Budget for 2012/13	October 2011
Project phase	
Confirm IDP Projects with District and Sector departments Review and effect changes on initial Draft IDP	November 2011
Integration phase	
Review Budget Performance and prepare adjustment Consolidated Analysis Phase to be ready	December 2011
Midyear Performance review (2nd),review IDP and relate policies Table Draft 2010/11 Annual report to Council Submit to Auditor General, National Treasury, Provincial Treasury and CoGHSTA Publish Draft Annual report Prepare Oversight report for 2010/11 financial year Table Budget adjustment (if necessary)	January 2012
Submission of Draft IDP/Budget for 2012/13 to Management Submission of Draft IDP/Budget for 2012/13 and plans to Portfolio committees Submission of Draft IDP/Budget for 2012/13 to Exco Presentation of the 1st IDP/Budget Draft to the 3rd IDP Representative Forum	February 2012
Council consider the proposed IDP/Budget for 2012/13 financial year Publish the Draft 2012/13 IDP/Budget for public comments Adoption of Oversight report for 2010/11	March 2012
Approval phase	
Submit Draft 2012/13 IDP/Budget to the National Treasury, Provincial Treasury, CoGHSTA and SDM Quarterly (3rd) review of the 2011/12 IDP/Budget and related policies and related Consultative processes Consultation with National and Provincial Treasuries, Community participation and Stakeholders consultation	April 2012
Submission of Draft 2012/13 IDP/Budget to Council structures with all submissions emanating from consultative processes and taking into account 3rd Quarter review of the current year	May 2012

Submission of Draft IDP/Budget for 2012/13 to Council for approval Prepare SDBIP for 2012/13 financial year Develop Performance Agreements(Performance Plans) of Municipal Manager and Senior Managers for 2012/13 Performance year	
Submission of the SDBIP to the Mayor Submission of Final Performance Agreements to the Mayor	June 2012

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the first review of the IDP as adopted by Council in May 2011. It started in September 2011 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2012/13 MTREF in August.

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the first revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2012/13 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2012/13 MTREF:

- Municipality's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2011/12 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54, 55, 58 and 59 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2012/13 MTREF as tabled before Council on 31 March 2011 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 10 April 2012 to 07 May 2012, and included eleven public briefing sessions. The applicable dates and venues were published on the local community radio station and on average attendance of 250 people was recorded per meeting. Individual sessions were scheduled with organised businesses and other stakeholders to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions, local chiefs, traditional healers youth, people with disabilities and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2012/13 MTREF. Feedback and responses to the submissions received are available on request.

Significant changes effected in the final 2011/12 MTREF compared to the draft 2011/12 MTREF that was tabled for community consultation, include:

- The final property rates tariff to be implemented from 1 July 2012 was reduced from 3 cents in a rand which was included in the draft budget to 2 cents in a rand.
- Property rates revenue was reduced from R41.4 million included in the draft budget to R27.2 million for 2012/2013. For 2013/14 and 2014/15 the revenue was reduced to R29.9 million and R32.9 million respectively as a result of reduction of the tariff.
- Capital expenditure was increased by R4.5 million transferred from operational expenses that are not critical for the operations of the municipality
- An amount of R1.5 million was allocated for acquisition of municipal plant for 2012/2013.
- The 2012 Division of Revenue Act (DORA) grant allocations were finalized and aligned to the gazetted allocations; and
- Expenditure for cleaning services was increased from R414, 000 to R3.5 million.
- R 2 million was provided for fencing of cemeteries.
- Provision for debt impairment has been reduced from R 29.5 million to R 9 million for 2012/2013. For 2013/14 and 2014/15 the provision for debt impairment was reduced to R9.5 million and R10 million respectively.
- Depreciation budget was reduced from R8.5 million to R 5.5 million for 2012/2013.
- Salaries costs increased from R 43.6 million to R45 million for 2012/2013 financial year.

- SMME support allocation was increased from R 1.2 million to R2 million for 2012/2013 financial year.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Our municipal IDP that provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the municipal council, was first adopted on 31 May 2011. This plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2012/13 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 17 IDP Strategic Objectives

2012/2013 Financial year	2013/2014 Financial year
To maximally harness opportunities for revenue generation	To provide sustainable waste management infrastructure
To improve institutional capacity for MLM to achieve its municipal objectives	To facilitate provision of bulk infrastructure in areas earmarked for development
To improve access to viable roads, facilitate tarring and possibility	To create an enabling environment to stimulate economic growth and development by 2014

To facilitate provision of post connection to 3861 households by 2014	To maximise natural resources for tourism promotion
To facilitate provision of adequate public transport	To reduce high grant dependency
To facilitate for provision of educational facilities and equipments	To intensify HIV/AIDS awareness
To provide safe and clean environment	To ensure improved Land Use Management

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
    - Provide waste removal;
    - Provide roads and storm water;
    - Provide municipal planning services; and
    - Maintaining the infrastructure of the municipality.

2. Economic growth and development that leads to sustainable job creation by:
    - Ensuring the is a clear structural plan for the municipality;
    - Ensuring planning processes function in accordance with set timeframes;
    - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to assist on matters affecting primary health care.
- Extending waste removal services and ensuring effective municipal cleansing;
- Working with strategic partners such as SAPS to address crime;
- Ensuring save working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities
- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated.
- Provision of bursaries for well deserving students who are financially needy.

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
   - Optimising effective community participation in the ward committee system; and
   - Implementing Batho Pele in the revenue management strategy.

5.1 Promote sound governance through:
   - Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:
   - Reviewing the use of contracted services
   - Continuing to implement the infrastructure management strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
   - Review of the organizational structure to optimize the use of personnel;

The 2012/13 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 18 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

LIM473 Makhuduthamaga - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
To improve investment of surplus cash.	increase revenue generation through interests on investments.			8,575	2,194	3,048	3,500	3,850	3,850	5,235	5,759	6,334
To maximally harness opportunities for revenue generation	Improved collection rate on interests for overdue accounts.			–	–	2,945	–	4,773	4,773	5,251	5,776	6,353
	Improved revenue coolectio rate for property rates debtors			–	17,956	24,520	24,047	41,444	41,444	27,270	29,997	32,996
	maximum recovery of fund owed to the municipality by SARS for VAT				7,000	–	17,369	6,264	6,264	24,795	27,301	28,771
	Improved collection rate at the municipal testing stations.			7,024	3,092	2,399	4,000	4,000	4,000	4,400	4,840	5,324
	Receipt of the total equitable share grant allocated for our municipality			67,705	88,352	111,893	126,339	126,339	126,339	143,213	153,818	166,931
	Receipt of total allocation of FMG grant.				1,500	1,515	1,500	1,500	1,500	1,500	1,500	1,750
	Receipt of total allocation of MSIG grant.				735	750	750	790	790	800	900	950
	Receipt of total allocation of MIG grant.				27,924	28,401	34,159	34,159	34,159	41,436	43,710	46,237
	Improvement on revenue from selling of tender documents.				30		500	500	500	550	605	666
	Improved revenue collection on rental of municipal assets.				–	39	40	100	100	100	110	121
	Improve collection rate on VAT input.			15,956	566	3,588	200	200	200	200	220	242
	Receipt of total allocation of EPWP grant.						–	1,492	1,492	966	–	–
	Receipt of total allocation of DOE grant.					5,000	7,500	10,000	10,000	4,000	6,800	10,000
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	99,259	149,349	184,100	219,904	235,411	235,411	259,715	281,335	306,676

Table 19 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	2012/13 Medium Term Revenue & Expenditure		
R thousand		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
To strengthern institutional efficiency and governance	improved and efficient institutional governance	40,667	43,100	45,426
To facilitate for improved service delivery	Improved service delivert and eradication of service delivery backlog.	22,767	23,224	27,049
To create environment that stimulate economic growth and development	improved economic growth	3,000	3,168	3,339
To promote effective and efficient revenue and expenditure management	financially viable municipality	49,094	51,870	54,673
To strengthern institutional efficiency and promote good governance.	Practice of good governance	36,088	38,131	40,219
To promote compatible land use and development.	A compatible land use management	2,400	1,795	1,892
Allocations to other priorities				
Total		154,015	161,288	172,599

Table 20 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	2012/13 Medium Term Revenue & Expenditure		
R thousand		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
To strengthern institutional efficiency and governance	improved and efficient institutional governance	3,500	2,640	2,783
To facilitate for improved service delivery	Improved service delivert and eradication of service delivery backlog.	99,205	112,424	120,255
To create environment that stimulate economic growth and development	improved economic growth	–	–	–
To promote effective and efficient revenue and expenditure management	financially viable municipality	1,349	1,424	1,653
To strengthern institutional efficiency and promote good governance.	Practice of good governance	1,260	528	2,074
To promote compatible land use and development.	A compatible land use management	–	–	–
Allocations to other priorities				
Total Capital Expenditure		105,314	117,016	126,764

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);

- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

Figure 1 Definition of performance information concepts

The following table sets out the municipalities main performance objectives and benchmarks for the 2012/13 MTREF.

Table 21 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.1%	0.1%	0.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.4%	0.3%	0.6%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	7.3	4.6	4.7	86.4	6.4	6.4	6.4	4.6	4.3	4.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	7.3	4.6	4.7	86.4	6.4	6.4	6.4	4.6	4.3	4.0
Liquidity Ratio	Monetary Assets/Current Liabilities	5.0	3.3	2.7	47.7	4.6	4.6	4.6	2.1	1.7	1.4
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100.0%	1.4%	19.3%	100.0%	77.1%	77.1%	77.1%	64.0%	63.3%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			100.0%	1.4%	19.3%	100.0%	77.1%	77.1%	77.1%	64.0%	63.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	24.1%	22.0%	34.3%	21.9%	23.4%	23.4%	23.4%	34.7%	36.1%	37.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										
Creditors to Cash and Investments		19.9%	12.6%	36.5%	2.1%	37.2%	37.2%	37.2%	48.3%	60.0%	71.9%
Other Indicators											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source										
Employee costs	Employee costs/(Total Revenue - capital revenue)	9.6%	12.6%	11.5%	22.3%	17.3%	17.3%	17.3%	21.0%	20.6%	20.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.2%	11.9%	7.6%	6.6%	10.0%	10.0%		8.2%	8.0%	8.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5.6%	4.7%	7.3%	2.0%	1.7%	1.7%	1.7%	2.6%	2.6%	2.5%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	14.4	4.0	10.4	5.8	5.8	5.8	11.7	11.8	11.8	12.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	135.2%	210.5%	161.7%	107.8%	107.8%	107.8%	271.8%	277.1%	280.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	25.8	11.1	13.6	6.6	6.4	6.4	6.4	6.1	5.1	4.4

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. Our municipality is not planning to make use of borrowed funds to fund its capital expenditure for 2012/2013 MTREF.

2.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves. The debt equity ratio of our municipality remains at 0:1 or zero per cent for 2012/2013 as our municipality does not have borrowings or overdraft and the ratio remain stable for the two outer years.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2012/13 MTREF the current ratio is 4.95, in the 2012/13 financial year and 4.59 and 4.33 for the two outer years of the MTREF respectively. Going forward it will be necessary to maintain these levels.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to settle its current liabilities as they fall due. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1 or more. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2012/13 MTREF our municipality ratio indicates that we will be able to meet our creditor obligations. This is also supported by the cash flow projections appropriated to ensure that cash out flow is always covered by cash inflow or availability of surplus funds to settle the obligations.

2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been put in place to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

- The significant percentage of our debtors are government departments which did not pay their accounts because of various reasons provided to the municipality which includes budget issues and lack of certain information from the municipality 's side. We have worked hard to compile all information required to prove the accuracy of the billings and submitted it to all affected departments. The municipality has also appointed a debt collector who is currently in communication with all municipal debtors to settle their accounts.

2.3.1.5 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. As our liquidity ratio is in good order we did not encounter cash flow problems to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

2.3.1.6 Other Indicators

- Employee costs as a percentage of operating revenue continues to increase for the 2012/13 MTREF as the municipality is filling critical vacancies to assist in efficient acceleration of service delivery to address the municipality's backlog.

- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also increasing to ensure that the municipality's existing assets are properly maintained and repaired to lengthen their life span and to keep them in good working conditions.

2.3.2 Free Basic Services: basic electricity tokens for indigent households

The free basic electricity token assists residents that have difficulty paying for electricity services and are registered as indigent households in terms of the Indigent Policy of the municipality.

For the 2011/12 financial year registered indigents have been provided with a fifty (50) KWh token per household per month at a total cost R3 million to the municipality. The cost free basic electricity is increased to R3.5 million on 2012/2013 financial year. The total amount of units provided per household remains at 50 KWh.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 16 MBRR A10 (Basic Service Delivery Measurement)

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies of the municipality.

2.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in May 2011 is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for

money there has been a need to review the tariff for property rates and certain components to encourage our customers to pay their accounts as they complained with current rate and to achieve a higher collection rate. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the municipality is planning to introduce an Integrated Indigent Exit Programme which aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2012/13 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 37 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

2.4.2 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process is utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in 2008. This policy is under review and the amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

2.4.4 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was approved by Council in May 2011 and is under review. The amended policy will be considered by Council in due course of which the amendments will be extensively consulted on

2.4.5 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy was adopted by Council in May 2011. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

2.4.6 Tariff Policies

The municipality's tariff policy provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy was adopted by council on May 2011 and is currently under review.

2.5 Overview of budget assumptions

2.5.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's available cash.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2012/13 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for electricity and water; and
- The increase in the cost of remuneration.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality is not planning to use borrowing to fund its capital projects and therefore no interests are to be paid. The municipality is forecasting to have surplus cash for investment and cash management and investment policy will be applied when investing such funds to generate revenue.

2.5.4 Collection rate for revenue services

The municipality's assumption is that, the reduction of the property rates tariff to be implemented from 1 July 2012 will be affordable to the rate payers and collection will increase significantly as compare to the current year 2011/12.

The rate of revenue collection is currently expressed as a percentage (29 per cent) of annual billings. Cash flow is assumed to be 29 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy.

2.5.5 Salary increases

The collective agreement regarding salaries/wages lapses at the end of June 2012. As the labour unions are still in negotiations with SALGA for salary increases, we have budget accost of living increase of 5.4 per cent, 5.6 per cent and 5.4 per cent for 2012/2013,2013/2014 and 2014/2015 respectively.

2.5.6 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 22 Breakdown of the operating revenue over the medium-term

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source											
Property rates	2	–	17,956	24,520	24,047	41,444	41,444	41,444	27,270	29,997	32,996
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		–	–	39	40	100	100	100	100	110	121
Interest earned - external investments		8,575	2,194	3,048	3,500	3,850	3,850	3,850	5,235	5,759	6,334
Interest earned - outstanding debtors		–	–	2,945	–	4,773	4,773	4,773	5,251	5,776	6,353
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		–	–	–	–	–	–	–	–	–	–
Licences and permits		7,024	3,092	2,399	4,000	4,000	4,000	4,000	4,400	4,840	5,324
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		67,705	86,698	114,159	128,589	130,121	130,121	130,121	146,479	156,218	169,631
Other revenue	2	15,956	566	3,588	18,069	6,964	6,964	6,964	25,545	28,126	29,679
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		99,259	110,506	150,699	178,245	191,252	191,252	191,252	214,279	230,825	250,439

The following graph is a breakdown of the operational revenue per main category for the 2012/13 financial year.

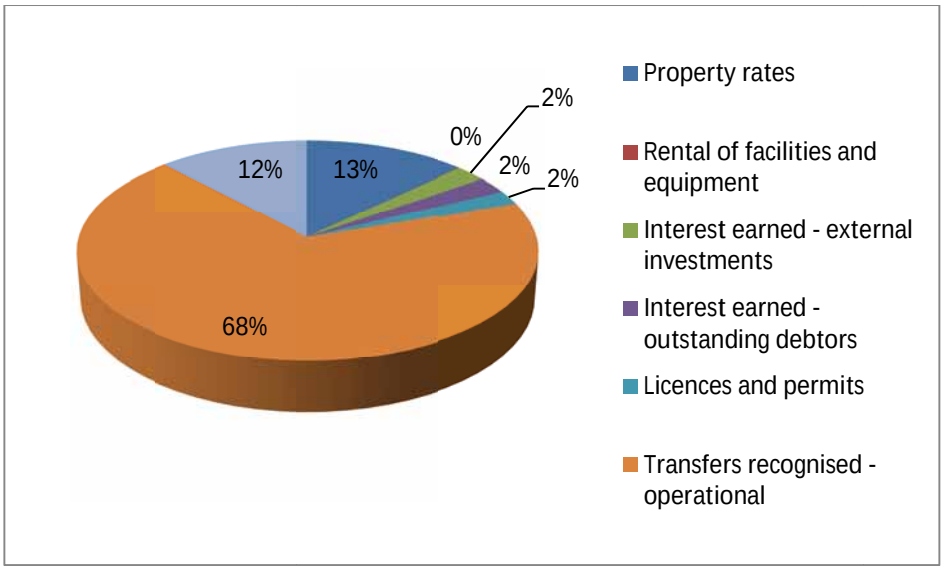


Figure 2 Breakdown of operating revenue over the 2011/12 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the transfers recognised – operational (government grants), Property rates, capital grants from organs of state and other minor charges (such as licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- National Treasury guidelines;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff reduction for the 2012/13 MTREF for Property rates can be shown as follows:

Table 4 Approved tariff reduction over the medium-term

Revenue category	Approved tarrif 2011/2012	Approved tarrif 2012/2013	Proposed tarrif 2013/2014	Proposed tarrif 2014/2015
Property Rates	3 cents	2 cents	2 cents	2 cents

Revenue to be generated from property rates is R27 million in the 2012/13 financial year and increases to R32 million by 2014/15 which represents 13 per cent of the operating revenue base of the municipality. It increases with 10 percent over the medium term, as we are projecting to have increase in the number of properties in our area due to new developments which makes some of our areas good markets for business.

The municipality is still in a process of further data verification and validation relating to the valuation Rolland therefore supplementary valuation roll will be developed within the 2012/2013 MTREF. We do not have any objection on our current valuation roll. The outcome of the supplementary valuation process will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Revenue from VAT recovered from SARS form the second highest source of own revenue for the municipality followed by licences and permits. For 2012/2013, they contribute R24 million, R4.4 million to the total operational revenue respectively. The other sources of revenue are the revenue from sales of tender documents which amounts to R550 thousands for 2012/2013 financial year.

Operational grants and subsidies amount to R191.9 million, R206.7 million and R225.8 million for 2012/2013, 2013/2014 and 2014/2015 respectively. In real terms the grants receipts from national government are growing rapidly over the MTREF by 7.72 per cent and 9.26 per cent for the two

outer years respectively. The percentage of the total operational grants and transfers in relation to the total operating revenue is very high due to very low level of own revenue collection for all financial years of the 2012/2013 MTREF.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R5.2 million, R5.7 million and R6.3 million for the respective three financial years of the 2012/13 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Table 23 MBRR SA15 – Detail Investment Information

LIM473 Makhuduthamaga - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Parent municipality										
Securities - National Government		–	–	–	–	–	–	–	–	–
Listed Corporate Bonds		–	–	–	–	–	–	–	–	–
Deposits - Bank		48,415		60,050	60,000	60,000	60,000	75,000	80,000	99,000
Deposits - Public Investment Commissioners		–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits		–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates		–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks		–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)		–	–	–	–	–	–	–	–	–
Repurchase Agreements - Banks		–	–	–	–	–	–	–	–	–
Municipal Bonds		–	–	–	–	–	–	–	–	–
Municipality sub-total	1	48,415	–	60,050	60,000	60,000	60,000	75,000	80,000	99,000
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		48,415	–	60,050	60,000	60,000	60,000	75,000	80,000	99,000

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted operating surplus of R105 million, R120 million and R134 million in each of the MTREF financial years. This surplus is intended to partly fund capital expenditure as well as ensure adequate cash backing of reserves and funds.

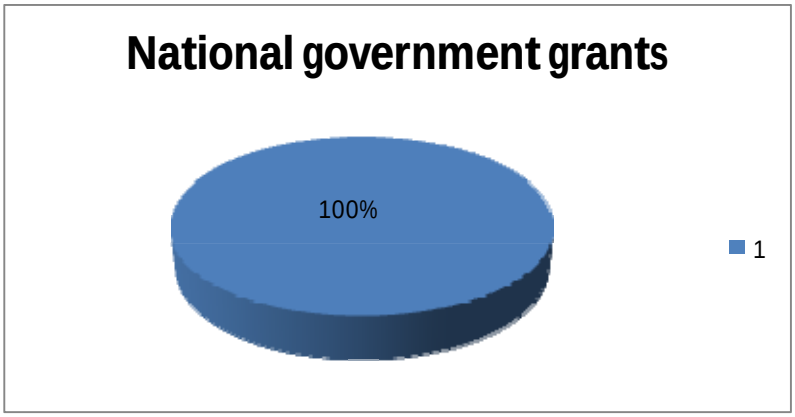
2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2011/12 medium-term capital programme:

Table 25 Sources of capital revenue over the MTREF

Description (R thousand)	Current Year 2011/2012		2012/2013 Medium Term Revenue and Expendirure Framework					
	Adjusted budget	%	Budget Year 2012/13	%	Budget Year +1 2013/2014	%	Budget Year +2 2014/2015	%
Funded by								
National government grants	80,664	100%	105,314	100%	117,016	100%	126,764	100%
Provincial government	–	0%	–	0%	–	0%	–	0%
Transfers recognised - Capital	80,664	100%	105,314	100%	117,016	100%	126,764	100%
Borrowing	–	0%	–	0%	–	0%	–	0%
Internally generated funds	–	0%	–	0%	–	0%	–	0%
Total funding	80,664	100%	105,314	100%	117,016	100%	126,764	100%

The above table is graphically represented as follows for the 2011/12 financial year.



Capital grants and receipts equates to 100 per cent of the total funding source which represents the whole105 million for capital expenditure in 2012/2013. The total amount is made up of MIG grant, DOE grant, EPWP grant and Equitable Share. This can also be illustrated in the following extract from table SA 19:

Table 26: Extract from Table SA 19

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure of Transfers and Grants										
National Government:		–	–	33,401	41,659	44,159	44,159	45,436	50,510	56,237
Municipal Infrastructure Grant (MIG)				28,401	34,159	34,159	34,159	41,436	43,710	46,237
DOE GRANT				5,000	7,500	10,000	10,000	4,000	6,800	10,000
EPWP GRANT				–	–	1,492	1,492	966	–	–
Eequitable share				32,537	58,923	36,505	36,505	58,912	66,506	70,527

Table 27 MBRR Table SA 18 - Capital transfers and grant receipts

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		66,078	90,587	114,144	128,589	128,629	128,629	145,513	156,218	169,631
Local Government Equitable Share		64,881	88,352	111,894	126,339	126,339	126,339	143,213	153,818	166,931
Finance Management		500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,750
Municipal Systems Improvement		698	735	750	750	790	790	800	900	950
Other transfers/grants [insert description]										

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management of the municipality. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue and other own sources of revenue

Table 28 MBRR Table A7 - Budget cash flow statement

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		22,980	313	6,470	46,156	44,156	44,156	44,156	40,045	43,576	46,624
Government - operating	1	67,705	86,698	114,159	128,589	130,121	130,121	130,121	146,479	156,218	169,631
Government - capital	1	13,475	28,401	33,401	41,659	44,159	44,159	44,159	45,436	50,510	56,237
Interest		8,575	2,194	5,993	3,500	8,623	8,623	8,623	5,235	5,759	6,334
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(50,330)	(72,293)	(84,582)	(119,000)	(153,697)	(153,697)	(153,697)	(139,362)	(145,814)	(156,289)
Finance charges					(300)	(110)	(110)	(110)	(116)	(122)	(129)
Transfers and Grants	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		62,404	45,313	75,441	100,604	73,252	73,252	73,252	97,717	110,127	122,408
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	350	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		(48,088)	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(33,634)	(32,492)	(65,938)	(100,582)	(80,664)	(80,664)	(80,664)	(105,314)	(117,016)	(126,764)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(81,723)	(32,492)	(65,938)	(100,582)	(80,664)	(80,664)	(80,664)	(104,964)	(117,016)	(126,764)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		(19,319)	12,821	9,502	22	(7,412)	(7,412)	(7,412)	(7,246)	(6,889)	(4,356)
Cash/cash equivalents at the year begin:	2	71,676	52,358	65,178	47,907	74,681	74,681	74,681	67,269	60,023	53,134
Cash/cash equivalents at the year end:	2	52,358	65,178	74,681	47,929	67,269	67,269	67,269	60,023	53,134	48,778

The above table shows a net decrease in cash held for all financial years of the 2012/2013 MTREF due to poor collection of revenue from property rates and is boosted by the opening balance of our bank account. The amount of R40 million cash inflow from rate payers and other for 2012/2013 is made up of R10 million from debtors, R24 million from VAT recovery and the remaining balance is from all other sources of own revenue.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 29 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

LIM473 Makhuduthamaga - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash and investments available											
Cash/cash equivalents at the year end	1	52,358	65,178	74,681	47,929	67,269	67,269	67,269	60,023	53,134	48,778
Other current investments > 90 days		–	–	0	–	47,929	47,929	47,929	–	–	–
Non current assets - Investments	1	48,415	–	–	–	–	–	–	–	–	–
Cash and investments available:		100,773	65,178	74,681	47,929	115,198	115,198	115,198	60,023	53,134	48,778
Application of cash and investments											
Unspent conditional transfers		–	11,300	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	(13,536)	7,865	17,288	(37,942)	(9,538)	(9,538)	(9,538)	(18,614)	(20,904)	(23,115)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(13,536)	19,165	17,288	(37,942)	(9,538)	(9,538)	(9,538)	(18,614)	(20,904)	(23,115)
Surplus(shortfall)		114,309	46,014	57,392	85,871	124,736	124,736	124,736	78,637	74,038	71,893

From the above table it can be seen that the cash and investments available total R60 million in the 2012/13 financial year and decrease to R48 million by 2014/15.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

It can be concluded that the municipality has a surplus against the cash backed and accumulated surpluses reconciliation.

Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA.

Table 30 MBRR SA10 – Funding compliance measurement

Description	MFMA section	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	52,358	65,178	74,681	47,929	67,269	67,269	67,269	60,023	53,134	48,778
Cash + investments at the yr end less applications - R'000	18(1)b	2	114,309	46,014	57,392	85,871	124,736	124,736	124,736	78,637	74,038	71,893
Cash year end/monthly employee/supplier payments	18(1)b	3	25.8	11.1	13.6	6.6	6.4	6.4	6.4	6.1	5.1	4.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	69,327	28,800	84,590	100,604	80,024	80,024	80,024	105,700	120,048	134,077
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	30.6%	(7.9%)	66.3%	(6.0%)	(6.0%)	(40.2%)	4.0%	4.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	100.0%	1.4%	19.3%	100.0%	77.1%	77.1%	77.1%	64.0%	63.3%	62.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	14.3%	16.5%	0.0%	71.2%	71.2%	71.2%	33.0%	31.7%	30.4%
Capital payments % of capital expenditure	18(1)c;19	8	77.6%	55.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	1.5%	113.0%	(24.7%)	15.0%	0.0%	0.0%	66.0%	12.1%	11.4%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	3.7%	8.5%	5.5%	3.4%	5.9%	5.9%	5.4%	4.1%	3.4%	3.1%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	3.0%	5.0%	5.0%	0.0%	4.7%	4.4%	4.4%

2.7 Expenditure on grants and reconciliations of unspent funds

Table 31 MBRR SA19 - Expenditure on transfers and grant programmes

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		–	–	81,607	69,666	92,124	92,124	86,601	89,712	99,104
Local Government Equitable Share				79,357	67,416	89,834	89,834	84,301	87,312	96,404
Finance Management				1,500	1,500	1,500	1,500	1,500	1,500	1,750
Municipal Systems Improvement				750	750	790	790	800	900	950
Other transfers/grants [insert description]										
Provincial Government:		–	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants:		–	–	81,607	69,666	92,124	92,124	86,601	89,712	99,104
Capital expenditure of Transfers and Grants										
National Government:		–	–	33,401	41,659	44,159	44,159	45,436	50,510	56,237
Municipal Infrastructure Grant (MIG)				28,401	34,159	34,159	34,159	41,436	43,710	46,237
DOE GRANT				5,000	7,500	10,000	10,000	4,000	6,800	10,000
EPWP GRANT				–	–	1,492	1,492	966	–	–
Eequitable share				32,537	58,923	36,505	36,505	58,912	66,506	70,527

Table 32 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		67,705	86,698	114,159	128,589	130,121	130,121	146,479	156,218	169,631
Conditions met - transferred to revenue		67,705	86,698	114,159	128,589	130,121	130,121	146,479	156,218	169,631
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		67,705	86,698	114,159	128,589	130,121	130,121	146,479	156,218	169,631
Total operating transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	30,330	33,401	41,659	44,159	44,159	45,436	50,510	56,237
Conditions met - transferred to revenue		–	30,330	33,401	41,659	44,159	44,159	45,436	50,510	56,237
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		–	30,330	33,401	41,659	44,159	44,159	45,436	50,510	56,237
Total capital transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		67,705	117,028	147,560	170,248	174,280	174,280	191,915	206,728	225,868
TOTAL TRANSFERS AND GRANTS - CTBM		–	–	–	–	–	–	–	–	–

2.8 Allocations and grants made by the municipality.

Our municipality does not have any allocations any grants transferred to other municipalities or entities.

2.9 Councillor and employee benefits

Table 33 MBRR SA22 - Summary of councillor and staff benefits

LIM473 Makhuduthamaga - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		6,653	8,459	8,462	8,958	8,585	8,585	9,360	9,884	10,418
Pension and UIF Contributions		–	–	–	–	–	–			
Medical Aid Contributions		–	–	–	–	–	–			
Motor Vehicle Allowance		2,262	2,876	2,877	3,046	2,919	2,919	3,182	3,360	3,542
Cellphone Allowance		434	552	552	585	560	560	611	645	680
Housing Allowances		–	–	–						
Other benefits and allowances		1,345	1,711	1,711	1,812	1,736	1,736	1,893	1,999	2,107
Sub Total - Councillors		10,695	13,598	13,603	14,400	13,801	13,801	15,045	15,888	16,746
% increase	4		27.1%	0.0%	5.9%	(4.2%)	–	9.0%	5.6%	5.4%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		–	1,636	1,944	2,554	2,369	2,369	2,774	2,929	3,087
Pension and UIF Contributions		–	306	364	478	472	472	427	450	475
Medical Aid Contributions		–	98	116	153	153	153	120	127	134
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	–	720	856	1,124	1,124	1,124	416	440	464
Cellphone Allowance	3	–	68	80	106	106	106	163	172	181
Housing Allowances	3	–	196	232	305	305	305	1,228	1,297	1,367
Other benefits and allowances	3	–	–	–	–	–	–	–	–	–
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		–	3,024	3,593	4,720	4,529	4,529	5,127	5,415	5,707
% increase	4		–	18.8%	31.4%	(4.0%)	–	13.2%	5.6%	5.4%
Other Municipal Staff										
Basic Salaries and Wages		13,585	9,523	10,289	20,821	16,998	16,998	23,727	25,055	26,408
Pension and UIF Contributions			1,825	2,343	4,741	3,871	3,871	5,403	5,706	6,014
Medical Aid Contributions			384	662	1,340	1,094	1,094	1,527	1,612	1,699
Overtime			68	134	271	221	221	309	326	344
Performance Bonus			–	–	–	–	–			
Motor Vehicle Allowance	3		1,075	2,617	5,296	4,324	4,324	6,035	6,373	6,717
Cellphone Allowance	3		153	499	1,009	824	824	1,150	1,214	1,280
Housing Allowances	3		245	396	802	654	654	913	965	1,017
Other benefits and allowances	3		115	197	398	325	325	453	479	505
Payments in lieu of leave			507	171	345	282	282	394	416	438
Long service awards			–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6		–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		13,585	13,896	17,307	35,022	28,592	28,592	39,911	42,146	44,422
% increase	4		2.3%	24.6%	102.4%	(18.4%)	–	39.6%	5.6%	5.4%
Total Parent Municipality		24,280	30,517	34,503	54,142	46,921	46,921	60,084	63,448	66,875
			25.7%	13.1%	56.9%	(13.3%)	–	28.1%	5.6%	5.4%
Board Members of Entities										
Basic Salaries and Wages				–	–	–	–	–	–	–
Pension and UIF Contributions				–	–	–	–	–	–	–
Medical Aid Contributions				–	–	–	–	–	–	–
Overtime				–	–	–	–	–	–	–
Performance Bonus				–	–	–	–	–	–	–
Motor Vehicle Allowance	3			–	–	–	–	–	–	–
Cellphone Allowance	3			–	–	–	–	–	–	–
Housing Allowances	3			–	–	–	–	–	–	–
Other benefits and allowances	3			–	–	–	–	–	–	–
Board Fees				–	–	–	–	–	–	–
Payments in lieu of leave				–	–	–	–	–	–	–
Long service awards				–	–	–	–	–	–	–
Post-retirement benefit obligations	6			–	–	–	–	–	–	–
Sub Total - Board Members of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Senior Managers of Entities										
Basic Salaries and Wages				–	–	–	–	–	–	–
Pension and UIF Contributions				–	–	–	–	–	–	–
Medical Aid Contributions				–	–	–	–	–	–	–
Overtime				–	–	–	–	–	–	–
Performance Bonus				–	–	–	–	–	–	–
Motor Vehicle Allowance	3			–	–	–	–	–	–	–
Cellphone Allowance	3			–	–	–	–	–	–	–
Housing Allowances	3			–	–	–	–	–	–	–
Other benefits and allowances	3			–	–	–	–	–	–	–
Payments in lieu of leave				–	–	–	–	–	–	–
Long service awards				–	–	–	–	–	–	–
Post-retirement benefit obligations	6			–	–	–	–	–	–	–
Sub Total - Senior Managers of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Other Staff of Entities										
Basic Salaries and Wages				–	–	–	–	–	–	–
Pension and UIF Contributions				–	–	–	–	–	–	–
Medical Aid Contributions				–	–	–	–	–	–	–
Overtime				–	–	–	–	–	–	–
Performance Bonus				–	–	–	–	–	–	–
Motor Vehicle Allowance	3			–	–	–	–	–	–	–
Cellphone Allowance	3			–	–	–	–	–	–	–
Housing Allowances	3			–	–	–	–	–	–	–
Other benefits and allowances	3			–	–	–	–	–	–	–
Payments in lieu of leave				–	–	–	–	–	–	–
Long service awards				–	–	–	–	–	–	–
Post-retirement benefit obligations	6			–	–	–	–	–	–	–
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		24,280	30,517	34,503	54,142	46,921	46,921	60,084	63,448	66,875
% increase	4		25.7%	13.1%	56.9%	(13.3%)	–	28.1%	5.6%	5.4%
TOTAL MANAGERS AND STAFF	5	13,585	16,919	20,900	39,742	33,121	33,121	45,038	47,560	50,129

Table 34 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

LIM473 Makhuduthamaga - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		312,060	57,564	141,220			510,844
Chief Whip			292,562	53,978	133,570			480,111
Executive Mayor			390,083	71,908	171,814			633,805
Deputy Executive Mayor			–	–	–			–
Executive Committee			1,550,581	286,051	59,687			1,896,318
Total for all other councillors			8,868,048	2,198,716	457,621			11,524,385
Total Councillors	8	–	11,413,334	2,668,218	963,911			15,045,463
Senior Managers of the Municipality	5							
Municipal Manager (MM)			726,104	–	229,008	–		955,112
Chief Finance Officer			502,696	–	419,477	–		922,172
Director Corporate services			386,248	–	426,305	–		812,553
Director Infrastructure			386,248	–	426,462	–		812,710
Director Planning			386,248	–	426,462	–		812,710
Director Community services			386,248	–	426,305	–		812,553
List of each offical with packages >= senior manager								
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
Total Senior Managers of the Municipality	8	–	2,773,790	–	2,354,020	–		5,127,810
A Heading for Each Entity	6,7							
List each member of board by designation								
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
			–	–	–	–		–
Total for municipal entities	8	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION		–	14,187,124	2,668,218	3,317,931	–		20,173,273

Table 35 MBRR SA24 – Summary of personnel numbers

LIM473 Makhuduthamaga - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2010/11			Current Year 2011/12			Budget Year 2012/13		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		61	–	61	61	–	61	61	–	61
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	5	–	5	6	–	6	6	–	6
Other Managers	7	–	–	–	–	–	–	–	–	–
Professionals		*67*	*62*	*5*	*66*	*62*	*4*	*104*	*96*	*8*
Finance		20	15	5	19	15	4	39	31	8
Spatial/town planning		6	6	–	6	6	–	6	6	–
Information Technology		2	2	–	2	2	–	2	2	–
Roads		1	1	–	1	1	–	1	1	–
Electricity		1	1	–	1	1	–	1	1	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		37	37	–	37	37	–	55	55	–
Technicians		–	–	–	–	–	–	–	–	–
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Clerks (Clerical and administrative)		8	8	–	8	8	–	20	20	–
Service and sales workers		–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		5	5	–	5	5	–	6	6	–
Elementary Occupations		–	–	–	–	–	–	–	–	–
TOTAL PERSONNEL NUMBERS		146	75	71	146	75	71	197	122	75
% increase					–	–	–	34.9%	62.7%	5.6%

2.10 Monthly targets for revenue, expenditure and cash flow

The following tables shows how the municipality is planning to receive its budgeted revenue and spend funds appropriated per cost centre, standard classification and the cash inflow and out flow per month.

Table 365 MBRR SA25 - Budgeted monthly revenue and expenditure

LIM473 Makhuduthamaga - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source																
Property rates		2,272	2,272	2,272	2,272	2,272	2,272	2,272	2,272	2,272	2,272	2,272	2,272	27,270	29,997	32,996
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		–	50	–	–	–	–	50	–	–	–	–	–	100	110	121
Interest earned - external investments		315	456	480	380	301	630	690	500	450	400	325	308	5,235	5,759	6,334
Interest earned - outstanding debtors		243	267	294	323	356	391	430	474	521	573	630	748	5,251	5,776	6,353
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences and permits		280	364	305	350	355	280	307	395	430	435	450	450	4,400	4,840	5,324
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		64,568	–	–	–	47,674	–	–	–	33,271			966	146,479	156,218	169,631
Other revenue		2,500	1,200	2,100	2,800	1,850	1,900	2,200	2,300	2,950	2,500	1,900	1,345	25,545	28,126	29,679
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributio		70,178	4,609	5,452	6,126	52,808	5,474	5,950	5,941	39,895	6,180	5,578	6,089	214,279	230,825	250,439
Expenditure By Type																
Employee related costs		3,753	3,753	3,753	3,753	3,753	3,753	3,753	3,753	3,753	3,753	3,753	3,753	45,038	47,560	50,129
Remuneration of councillors		1,161	1,161	1,161	1,161	1,161	1,161	1,347	1,347	1,347	1,347	1,347	1,347	15,045	15,888	16,746
Debt impairment		–	–	–	–	–	–	–	–	–	–	–	9,038	9,038	9,544	10,059
Depreciation & asset impairment		–	–	–	–	–	–	–	–	–	–	–	5,500	5,500	5,808	6,122
Finance charges		10	11	12	10	9	10	8	9	10	9	9	11	116	122	129
Bulk purchases					–	–	–	–	–	–	–	–	–	–	–	–
Other materials					–	–	–	–	–	–	–	–	–	–	–	–
Contracted services		2,540	4,600	4,800	6,100	3,350	1,630	950	950	950	950	950	950	28,720	30,204	33,190
Transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		3,500	5,800	7,900	4,750	5,000	3,800	3,500	5,900	2,500	2,500	2,600	2,807	50,557	52,162	56,224
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		10,964	15,325	17,626	15,774	13,273	10,354	9,558	11,958	8,560	8,559	8,658	23,406	154,015	161,288	172,599
Surplus/(Deficit)		59,214	(10,716)	(12,174)	(9,648)	39,535	(4,880)	(3,608)	(6,017)	31,335	(2,379)	(3,081)	(17,317)	60,264	69,538	77,840
Transfers recognised - capital		19,588	1,000	1,000	23,848	–	–	–	–	–	–	–	–	45,436	50,510	56,237
Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		78,802	(9,716)	(11,174)	14,200	39,535	(4,880)	(3,608)	(6,017)	31,335	(2,379)	(3,081)	(17,317)	105,700	120,048	134,077
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	78,802	(9,716)	(11,174)	14,200	39,535	(4,880)	(3,608)	(6,017)	31,335	(2,379)	(3,081)	(17,317)	105,700	120,048	134,077

Table 37 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

LIM473 Makhuduthamaga - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote																
Vote 1 - Coucil													–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Infrastructure Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Budget and Treasury		89,766	5,609	6,452	29,974	52,808	5,474	5,950	5,941	39,895	6,180	5,578	6,089	259,715	281,335	306,676
Vote 8 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		89,766	5,609	6,452	29,974	52,808	5,474	5,950	5,941	39,895	6,180	5,578	6,089	259,715	281,335	306,676
Expenditure by Vote to be appropriated																
Vote 1 - Coucil		1,800	3,010	3,200	2,500	2,700	2,600	3,050	2,890	2,760	2,650	2,480	1,513	31,153	32,898	34,675
Vote 2 - Office of the Municipal Manager		197	272	197	197	752	447	272	197	222	197	197	197	3,339	3,526	3,717
Vote 3 - Economic Development and Planning		1,039	1,289	2,089	1,039	1,289	1,389	1,589	889	389	339	339	339	12,021	10,213	10,764
Vote 4 - Infrastructure Development		2,200	3,500	6,500	6,500	18,000	35,000	15,000	17,000	6,500	745	8,500	2,745	122,190	137,029	148,846
Vote 5 - Community Services		1,399	2,249	2,299	1,899	1,499	2,299	1,699	1,799	1,399	1,399	1,399	1,999	21,341	22,558	25,390
Vote 6 - Corporate Services		1,346	2,836	2,746	1,746	2,246	1,596	646	1,096	1,496	796	896	696	18,141	18,101	19,078
Vote 7 - Budget and Treasury		2,080	2,901	4,151	3,251	2,901	2,551	2,351	3,551	2,171	4,051	3,751	17,435	51,142	53,978	56,894
Vote 8 -													–	–	–	–
Vote 9 -													–	–	–	–
Vote 10 -													–	–	–	–
Vote 11 -													–	–	–	–
Vote 12 -													–	–	–	–
Vote 13 -													–	–	–	–
Vote 14 -													–	–	–	–
Vote 15 -													–	–	–	–
Total Expenditure by Vote		10,061	16,057	21,182	17,132	29,387	45,882	24,607	27,422	14,937	10,177	17,562	24,925	259,329	278,303	299,363
Surplus/(Deficit) before assoc.		79,705	(10,448)	(14,730)	12,842	23,422	(40,408)	(18,657)	(21,481)	24,958	(3,996)	(11,984)	(18,836)	387	3,032	7,313
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	79,705	(10,448)	(14,730)	12,842	23,422	(40,408)	(18,657)	(21,481)	24,958	(3,996)	(11,984)	(18,836)	387	3,032	7,313

Table 39 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

LIM473 Makhuduthamaga - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Coucil													–	–	–	–
Vote 2 - Office of the Municipal Manager													–	–	–	–
Vote 3 - Economic Development and Planning													–	–	–	–
Vote 4 - Infrastructure Development													–	–	–	–
Vote 5 - Community Services													–	–	–	–
Vote 6 - Corporate Services													–	–	–	–
Vote 7 - Budget and Treasury													–	–	–	–
Vote 8 -													–	–	–	–
Vote 9 -													–	–	–	–
Vote 10 -													–	–	–	–
Vote 11 -													–	–	–	–
Vote 12 -													–	–	–	–
Vote 13 -													–	–	–	–
Vote 14 -													–	–	–	–
Vote 15 -													–	–	–	–
Capital multi-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*																
Vote 1 - Coucil		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		250	400	500	250	250	–	–	–	–	–	–	–	1,650	–	–
Vote 4 - Infrastructure Development		–	–	4,000	4,500	13,500	29,000	11,000	13,000	4,000	6,000	3,000	2,400	90,400	104,283	120,255
Vote 5 - Community Services		–	500	1,390	1,600	2,000	1,425	–	–	–	–	–	0	6,915	7,085	557
Vote 6 - Corporate Services		–	1,000	500	500	1,500	–	–	–	–	–	–	–	3,500	2,640	2,783
Vote 7 - Budget and Treasury		–	400	2,100	349	–	–	–	–	–	–	–	(0)	2,849	3,008	3,171
Vote 8 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	250	2,300	8,490	7,199	17,250	30,425	11,000	13,000	4,000	6,000	3,000	2,400	105,314	117,016	126,764
Total Capital Expenditure	2	250	2,300	8,490	7,199	17,250	30,425	11,000	13,000	4,000	6,000	3,000	2,400	105,314	117,016	126,764

Table 40 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

LIM473 Makhuduthamaga - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital Expenditure - Standard	1															
Governance and administration		–	1,400	2,600	849	1,500	–	–	–	–	–	–	(0)	6,349	5,648	5,953
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Budget and treasury office		–	400	2,100	349	–	–	–	–	–	–	–	(0)	2,849	3,008	3,171
Corporate services		–	1,000	500	500	1,500	–	–	–	–	–	–	–	3,500	2,640	2,783
Community and public safety		–	1,450	3,740	2,550	3,800	2,875	–	–	–	–	–	0	14,415	7,085	557
Community and social services		–	200	–	–	–	–	–	–	–	–	–	–	200	–	–
Sport and recreation		–	500	1,390	1,600	1,200	1,525	–	–	–	–	–	0	6,215	6,557	–
Public safety		–	250	250	–	–	–	–	–	–	–	–	–	500	528	557
Housing		–	500	2,100	950	2,600	1,350	–	–	–	–	–	–	7,500	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		750	1,400	3,500	3,750	12,250	20,500	10,600	13,000	4,000	6,000	3,000	(0)	78,750	98,083	112,082
Planning and development		250	400	500	250	250	–	–	–	–	–	–	–	1,650	–	–
Road transport		500	1,000	3,000	3,500	12,000	20,500	10,600	13,000	4,000	6,000	3,000	(0)	77,100	98,083	112,082
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		–	500	1,650	1,650	1,500	500	–	–	–	–	–	–	5,800	6,200	8,173
Electricity		–	500	1,650	1,650	1,500	500	–	–	–	–	–	–	5,800	6,200	8,173
Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	2	750	4,750	11,490	8,799	19,050	23,875	10,600	13,000	4,000	6,000	3,000	(0)	105,314	117,016	126,764

Table 41 MBRR SA30 - Budgeted monthly cash flow

LIM473 Makhuduthamaga - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Receipts By Source													1		
Property rates	260	3,000	1,950	1,500	1,560	170	190	280	285	325	240	240	10,000	15,000	1,650
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment												–	–	–	–
Interest earned - external investments	315	456	480	380	301	630	690	500	450	400	325	308	5,235	5,759	6,334
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences and permits	280	364	305	350	355	280	307	395	430	435	450	450	4,400	4,840	5,324
Agency services												–	–	–	–
Transfer receipts - operational	64,568	–	–	–	47,674	–	–	–	33,271			966	146,479	156,218	169,631
Other revenue	2,500	1,200	1,500	1,800	1,850	1,900	1,200	1,300	1,950	2,500	1,900	810	20,410	28,126	29,679
Cash Receipts by Source	67,923	5,020	4,235	4,030	51,740	2,980	2,387	2,475	36,386	3,660	2,915	2,773	186,524	209,943	212,618
Other Cash Flows by Source															
Transfer receipts - capital	19,588	1,000	1,000	23,848	–	–	–	–	–	–	–	–	45,436	50,510	56,237
Contributions recognised - capital & Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	87,510	6,020	5,235	27,878	51,740	2,980	2,387	2,475	36,386	3,660	2,915	2,773	231,960	260,453	268,855
Cash Payments by Type															
Employee related costs	3,753	3,753	3,753	3,753	3,753	3,753	3,753	3,753	3,753	3,753	3,753	3,753	45,038	47,560	50,129
Remuneration of councillors	1,161	1,161	1,161	1,161	1,161	1,161	1,347	1,347	1,347	1,347	1,347	1,347	15,045	15,888	16,746
Finance charges	10	11	12	10	9	10	8	9	10	9	9	11	116	122	129
Bulk purchases - Electricity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	2,540	4,600	4,800	6,100	3,350	1,630	950	950	950	950	950	950	28,720	30,204	33,190
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	3,500	5,800	7,900	4,750	5,000	3,800	3,500	5,900	2,500	2,500	2,600	2,807	50,557	52,162	56,224
Cash Payments by Type	10,964	15,325	17,626	15,774	13,273	10,354	9,558	11,958	8,560	8,559	8,658	8,868	139,478	145,936	156,418
Other Cash Flows/Payments by Type															
Capital assets	250	2,300	8,490	7,199	17,250	30,425	11,000	13,000	4,000	6,000	3,000	2,400	105,314	117,016	126,764
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	11,214	17,625	26,116	22,973	30,523	40,779	20,558	24,958	12,560	14,559	11,658	11,268	244,791	262,952	283,183
NET INCREASE/(DECREASE) IN CASH HELD	76,297	(11,606)	(20,881)	4,906	21,217	(37,799)	(18,171)	(22,483)	23,827	(10,899)	(8,743)	(8,494)	(12,831)	(2,499)	(14,327)
Cash/cash equivalents at the month/year begin:	62,000	138,297	126,691	105,810	110,716	131,933	94,134	75,962	53,479	77,306	66,407	57,663	62,000	49,169	46,670
Cash/cash equivalents at the month/year end:	138,297	126,691	105,810	110,716	131,933	94,134	75,962	53,479	77,306	66,407	57,663	49,169	49,169	46,670	32,343

2.11 Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 42 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		32,321	54,070	58,093	85,832	70,860	70,860	78,400	99,183	114,645
Infrastructure - Road transport		27,230	53,041	34,835	67,970	58,898	58,898	72,600	92,983	106,472
Roads, Pavements & Bridges		27,230	53,041	34,835	67,970	58,898	58,898	72,600	92,983	106,472
Storm water										
Infrastructure - Electricity		3,931	1,029	23,258	17,863	11,963	11,963	5,800	6,200	8,173
Generation										
Transmission & Reticulation		3,931	1,029	23,258	17,863	11,963	11,963	5,800	6,200	8,173
Street Lighting										
Infrastructure - Water		1,160	–	–	–	–	–	–	–	–
Dams & Reservoirs										
Water purification										
Reticulation		1,160								
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation										
Sewerage purification										
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Waste Management										
Transportation	2									
Gas										
Other	3									
Community		–	–	–	1,500	500	500	9,065	6,557	–
Parks & gardens		–	–		1,500	500	500	1,650	–	–
Sportsfields & stadia								6,215	6,557	–
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries								1,200	–	–
Social rental housing	8									
Other										
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9									
Investment properties		–	–	–	–	–	–	–	–	–
Housing development										
Other										
Other assets		11,025	4,412	7,845	10,250	5,250	5,250	12,849	6,176	6,510
General vehicles										
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment										
Computers - hardware/equipment		–	500	2,074	1,250	1,250	1,250	3,500	2,640	2,783
Furniture and other office equipment		11,025	1,000	1,267	900	1,500	1,500	1,349	3,008	3,171
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings				4,505	8,100	2,500	2,500	7,500	–	–
Other Land										
Surplus Assets - (Investment or Inventory)										
Other			2,912		–	–	–	500	528	557
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Other *(list sub-class)*										
Total Capital Expenditure on new assets	1	43,346	58,482	65,938	97,582	76,610	76,610	100,314	111,916	121,154

Table 43 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		–	–	–	3,000	4,054	4,054	5,000	5,100	5,610
Infrastructure - Road transport		–	–	–	3,000	4,054	4,054	5,000	5,100	5,610
Roads, Pavements & Bridges		–	–		3,000	4,054	4,054	5,000	5,100	5,610
Storm water										
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation										
Sewerage purification										
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Waste Management										
Transportation	2									
Gas										
Other	3									
Community		–	–	–	–	–	–	–	–	–
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9									
Investment properties		–	–	–	–	–	–	–	–	–
Housing development										
Other										
Other assets		–	–	–	–	–	–	–	–	–
General vehicles										
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Other *(list sub-class)*										
Total Capital Expenditure on renewal of existing assets	1	–	–	–	3,000	4,054	4,054	5,000	5,100	5,610

Table 44 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		4,186	13,179	11,507	8,482	15,932	15,932	16,327	17,116	18,973
Infrastructure - Road transport		4,186	13,179	11,507	7,182	14,882	14,882	16,127	16,905	18,751
Roads, Pavements & Bridges		4,186	13,179	11,507	7,182	14,882	14,882	16,127	16,905	18,751
Storm water										
Infrastructure - Electricity		–	–	–	500	250	250	200	211	223
Generation										
Transmission & Reticulation										
Street Lighting					500	250	250	200	211	223
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation										
Sewerage purification										
Infrastructure - Other		–	–	–	800	800	800	–	–	–
Waste Management										
Transportation	2									
Gas										
Other	3				800	800	800			
Community		–	–	–	2,000	2,000	2,000	400	422	868
Parks & gardens					500	500	500			
Sportsfields & stadia								400	422	868
Swimming pools										
Community halls										
Libraries					1,000	1,000	1,000			
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries					500	500	500			
Social rental housing	8									
Other										
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9									
Investment properties		–	–	–	–	–	–	–	–	–
Housing development										
Other										
Other assets		–	–	–	1,200	1,200	1,200	850	898	946
General vehicles					500	500	500	–	–	–
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment					700	700	700			
Computers - hardware/equipment								–	–	–
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other								850	898	946
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Other *(list sub-class)*										
Total Repairs and Maintenance Expenditure	1	4,186	13,179	11,507	11,682	19,132	19,132	17,577	18,436	20,787

Table 45 MBRR SA35 - Future financial implications of the capital budget

Vote Description	Ref	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
Capital expenditure	1							
Vote 1 - Coucil		–	–	–				
Vote 2 - Office of the Municipal Manager		–	–	–				
Vote 3 - Economic Development and Planning		1,650	–	–				
Vote 4 - Infrastructure Development		90,900	104,283	120,255				
Vote 5 - Community Services		7,915	7,085	557				
Vote 6 - Corporate Services		3,500	2,640	2,783				
Vote 7 - Budget and Treasury		1,349	3,008	3,171				
Vote 8 -		–	–	–				
Vote 9 -		–	–	–				
Vote 10 -		–	–	–				
Vote 11 -		–	–	–				
Vote 12 -		–	–	–				
Vote 13 -		–	–	–				
Vote 14 -		–	–	–				
Vote 15 -		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		105,314	117,016	126,764	–	–	–	–

Table 46 MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4			2	6	3	3	5		Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
Parent municipality:																
List all capital projects grouped by Municipal Vote																
Vote 4 - Infrastructure Development		Electrification of Setlaboswane (DOE)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	2,777	–	–	2,777	–	–	31	New
Vote 4 - Infrastructure Development		Jane Furse taxi rank and Glen cowie four way stop (ES)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	1,800	–	–	1,800			12, 18, 08	New
Vote 4 - Infrastructure Development		Electrification of Madibong/Mashishing (50) (DOE)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	575	–	–	575	–	–	19	New
Vote 4 - Infrastructure Development		Electrification of Maroge/Marutleng (40) (DOE)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	488	–	–	488	–	–	28	New
Vote 4 - Infrastructure Development		Electrification of Manotong (10) (DOE)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	160	–	–	160	–	–	7	New
Vote 4 - Infrastructure Development		Electrification of Mashitel/Dihlabaneng (DOE)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	1,890	–	–	–	1,890	–	17	New
Vote 4 - Infrastructure Development		Electrification of ga Moraba (30) (DOE)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	506	–	–	–	506	–	18	New
Vote 4 - Infrastructure Development		Electrification of ga Mosehla (60) (DOE)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	810	–	–	–	810	–	11	New
Vote 4 - Infrastructure Development		Electrification of ga Mabintane (52) (DOE)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	702	–	–	–	702	–	2	New
Vote 4 - Infrastructure Development		Electrification of Matolokwaneng (100) (DOE)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	1,350	–	–	–	1,350	–	22	New
Vote 4 - Infrastructure Development		Electrification of Tjatane (150) (DOE)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	2,025	–	–	–	335	1,690	22	New
Vote 4 - Infrastructure Development		Electrification of Masanteng (1000 (DOE)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	1,350	–	–	–		1,350	30	New
Vote 4 - Infrastructure Development		Electrification of Kutupu (45) (DOE)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	608	–	–	–	608	–	1	New
Vote 4 - Infrastructure Development		Electrification of Serageng (45) (DOE)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	608	–	–	–	–	608	30	New
Vote 4 - Infrastructure Development		Electrification of Thoto (50) (DOE)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	675	–	–	–	–	675	7	New
Vote 4 - Infrastructure Development		Electrification of Semahlakole (15)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	203	–	–	–	–	203	31	New
Vote 4 - Infrastructure Development		Electrification of Mathibeng (40)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	540	–	–	–	–	540	23	New
Vote 4 - Infrastructure Development		Electrification of Sehuswane (20)	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	280	–	–	–	–	280	31	New
Vote 4 - Infrastructure Development		Electrification of Lemating/Tsopaneng	Not yet available	t availa	Yes	Infrastructure - Electricity	Reticulation	Not available	98	–	–	–	–	98	14	New

Table 47 MBRR 36: Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4			2	6	3	3	5		Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
Vote 4 - Infrastructure Development		Electrification of Mampane/Eenkantaan (25)	Not yet available	t availa	Yes	*Infrastructure - Electricity*	*Reticulation*	*Not available*	350	–	–	–	–	350	31	New
Vote 4 - Infrastructure Development		Electrification of Tswaing (65)	Not yet available	t availa	Yes	*Infrastructure - Electricity*	*Reticulation*	*Not available*	910	–	–	–	–	910	28	New
Vote 4 - Infrastructure Development		Electrification of Malope (55)	Not yet available	t availa	Yes	*Infrastructure - Electricity*	*Reticulation*	*Not available*	770	–	–	–	–	770	29	New
Vote 4 - Infrastructure Development		Electrification of Mohlarekoma (35)	Not yet available	t availa	Yes	*Infrastructure - Electricity*	*Reticulation*	*Not available*	490	–	–	–	–	490	5	New
Vote 4 - Infrastructure Development		Electrification of Nkotwane (15)	Not yet available	t availa	Yes	*Infrastructure - Electricity*	*Reticulation*	*Not available*	210	–	–	–	–	210	15	New
Vote 4 - Infrastructure Development		Maila Mapitsane access bridge MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	3,920	–	–	3,920	–	–	15	New
Vote 4 - Infrastructure Development		Upgrading of Masemola Sports ground (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Sportsfields & stadia*	*Not available*	12,772	–	–	6,215	6,557	–	28	New
Vote 4 - Infrastructure Development		Kutupu road and storm water phase2 (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	9,016	–	–	9,016,387.47	–	–	1	New
Vote 4 - Infrastructure Development		Vierfontein to Rietfontein Link road Phase2 (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	11,286	–	–	6,216,052.14	5,070	–	4	New
Vote 4 - Infrastructure Development		Moretsele Access Road Phase 2 (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	6,493	–	–	6,493,190.39	–	–	12	New
Vote 4 - Infrastructure Development		Vlaka/Kome access bridge (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	4,466	–	–	4,465,792.87	–	–	31	New
Vote 4 - Infrastructure Development		Madibaneng Acces bridge (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	4,047	–	–	4,047,000.00	–	–	22	New
Vote 4 - Infrastructure Development		Jane Furse Police station to Marangrang access road MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	7,309	–	–	–	7,309,149.69	–	18	New
Vote 4 - Infrastructure Development		Rietfontein storm water control (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Storm water*	*Not available*	3,600	–	–	–	3,600,000.00	–	4	New
Vote 4 - Infrastructure Development		Access road to Jane furse artificial pitch (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	4,000	–	–	–	4,000,000.00	–	21	New
Vote 4 - Infrastructure Development		Mohlala/Ngwanatswana pedestrian bridge (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	2,470	–	–	–	2,469,841.88	–	21	New
Vote 4 - Infrastructure Development		Pshiring access bridge (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	3,500	–	–	–	3,500,000.00	–	27	New
Vote 4 - Infrastructure Development		Mogashoa Manamane access bridge (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	4,500	–	–	–	4,500,000.00	–	13	New
Vote 4 - Infrastructure Development		Cabrieve/Khayelitsha access bridge (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	3,700	–	–	–	3,700,000.00	–	8	New
Vote 4 - Infrastructure Development		Moripane/Riverside access bridge (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	3,700	–	–	–	1,179,294.84	2,520,705.16	09, 10	New
Vote 4 - Infrastructure Development		Lobethal/Tisane access bridge (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	4,000	–	–	–	–	4,000,000.00	20	New
Vote 4 - Infrastructure Development		Access roads to Peter Nchabeleng sports field (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	4,500	–	–	–	–	4,500,000.00	16	New
Vote 4 - Infrastructure Development		Access road to Jane Furse Library (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	4,800	–	–	–	–	4,800,000.00	21	New
Vote 4 - Infrastructure Development		Matilwaneng access bridge (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	3,800	–	–	–	–	3,800,000.00	31	New
Vote 4 - Infrastructure Development		Access from masemola filling station to Magalies clinic	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	1,500	–	–	–	–	1,500,000.00	29	New
Vote 4 - Infrastructure Development		Manotong/Setebong access bridge (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	4,000	–	–	–	–	4,000,000.00	7	New
Vote 4 - Infrastructure Development		Moraba access bridge (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	3,800	–	–	–	–	3,800,000.00	18	New
Vote 4 - Infrastructure Development		Makhutso access bridge (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	4,000	–	–	–	–	4,000,000.00	31	New
Vote 4 - Infrastructure Development		Manganeng access bridge (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	3,800	–	–	–	–	3,800,000.00	17	New
Vote 4 - Infrastructure Development		Skotiphola access road (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	1,296	–	–	–	–	1,295,510.52	3	New
Vote 4 - Infrastructure Development		Ngwanamatlang access bridge (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	4,500	–	–	–	–	4,500,000.00	10	New
Vote 4 - Infrastructure Development		Expansion of Jane Furse artificial turf (MIG)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Sportsfields & stadia*	*Not available*	6,936	–	–	–	–	6,935,550.00	21	New
Vote 4 - Infrastructure Development		Access road to Sekwati tribal office (ES)	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	6,170	–	–	3,200,000.00	2,970,000.00	-	20	New
Vote 4 - Infrastructure Development		Access road to Manganeng tribal office	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	2,000	–	–	2,000,000.00	-	-	17	New
Vote 4 - Infrastructure Development		Acces bridge to Seopela tribal office	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	3,950	–	–	3,950,000.00	-	-	16	New
Vote 4 - Infrastructure Development		Access road to Masemola tribal office	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	3,330	–	–	1,000,000.00	1,110,000.00	1,220,000.00		New
Vote 4 - Infrastructure Development		Design and construction of Access road	Not yet available	t available				*Not available*	4,500			300,000.00				
Vote 4 - Infrastructure Development		Construction of Jane Furse road to	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	3,500	–	–	-	3,500,000.00	-	18	New
Vote 4 - Infrastructure Development		Construction of Maololo Acces bridge	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	5,000	–	–	5,000,000.00			25	New
Vote 4 - Infrastructure Development		Construction of access road to Seopela	Not yet available	t availa	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Not available*	3,200	–	–	3,200,000.00	-	-	16	New

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4			2	6	3	3	5		Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
Vote 4 - Infrastructure Development		Access from masemola filling station to Magalies clinic	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1,500	–	–	–	–	1,500,000.00	29	New
Vote 4 - Infrastructure Development		Manotong/Setebong access bridge (MIG)	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4,000	–	–	–	–	4,000,000.00	7	New
Vote 4 - Infrastructure Development		Moraba access bridge (MIG)	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,800	–	–	–	–	3,800,000.00	18	New
Vote 4 - Infrastructure Development		Makhutso access bridge (MIG)	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4,000	–	–	–	–	4,000,000.00	31	New
Vote 4 - Infrastructure Development		Manganeng access bridge (MIG)	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,800	–	–	–	–	3,800,000.00	17	New
Vote 4 - Infrastructure Development		Skotiphola access road (MIG)	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1,296	–	–	–	–	1,295,510.52	3	New
Vote 4 - Infrastructure Development		Ngwanamatlang access bridge (MIG)	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4,500	–	–	–	–	4,500,000.00	10	New
Vote 4 - Infrastructure Development		Expansion of Jane Furse artificial turf (MIG)	Not yet available	t availa	Yes	Infrastructure - Road transport	Sportsfields & stadia	Not available	6,936	–	–	–	–	6,935,550.00	21	New
Vote 4 - Infrastructure Development		Access road to Sekwati tribal office (ES)	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	6,170	–	–	3,200,000.00	2,970,000.00	-	20	New
Vote 4 - Infrastructure Development		Access road to Manganeng tribal office	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	2,000	–	–	2,000,000.00	-	-	17	New
Vote 4 - Infrastructure Development		Acces bridge to Seopela tribal office	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,950	–	–	3,950,000.00	-	-	16	New
Vote 4 - Infrastructure Development		Access road to Masemola tribal office	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,330	–	–	1,000,000.00	1,110,000.00	1,220,000.00		New
Vote 4 - Infrastructure Development		Design and construction of Access road	Not yet available	t available				Not available	4,500			300,000.00				
Vote 4 - Infrastructure Development		Construction of Jane Furse road to	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,500	–	–	-	3,500,000.00	-	18	New
Vote 4 - Infrastructure Development		Construction of Maololo Acces bridge	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	5,000	–	–	5,000,000.00			25	New
Vote 4 - Infrastructure Development		Construction of access road to Seopela	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,200	–	–	3,200,000.00	-	-	16	New
Vote 4 - Infrastructure Development		Construction of access road to	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	11,200	–	–	5,000,000.00	6,200,000.00	-	13	New
Vote 4 - Infrastructure Development		Construction of access road to maila	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	12,000	–	–	5,000,000.00	7,000,000.00	-	15	New
Vote 4 - Infrastructure Development		Access road to Nkosi Tribal office	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	966	–	–	966,000.00			14	New
Vote 4 - Infrastructure Development		Construction of access road to Tisane	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4,000	–	–	4,000,000.00	-	-	20	New
Vote 4 - Infrastructure Development		Construction of access road to ga-	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	22,700	–	–	3,325,123.00	8,375,123.00	11,000,000.00	31	New
Vote 4 - Infrastructure Development		Design and Construction of acces road	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	7,500	–	–	200,000.00	7,300,000.00	-	14	New
Vote 4 - Infrastructure Development		Design and Construction of access road	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4,000	–	–	200,000.00	3,800,000.00	-	25	New
Vote 4 - Infrastructure Development		Design and Construction of access road	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	9,000	–	–	300,000.00	8,700,000.00	-	23	New
Vote 4 - Infrastructure Development		Design and Construction of access road	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	9,000	–	–	300,000.00	8,700,000.00	-	16	New
Vote 4 - Infrastructure Development		Construction of access road to Mohlala	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	11,000	–	–	–	–	11,000,000.00	22	New
Vote 4 - Infrastructure Development		Construction of access road to Maila	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	12,000	–	–	–	–	12,000,000.00	19	New
Vote 4 - Infrastructure Development		Construction of access road to	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	10,000	–	–	–	–	10,000,000.00	23	New
Vote 4 - Infrastructure Development		Construction of acces road from	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	800	–	–	–	–	800,000.00	31	New

Table 47 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4			2	6	3	3	5		Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
Vote 4 - Infrastructure Development		Construction of access road to Maila	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	11,000	–	–	–	–	11,000,000.00	23	New
Vote 4 - Infrastructure Development		Construction of Vergelegen c internal	Not yet available	t availa	Yes		Roads, Pavements & Bridges	Not available	4,000	–	–	–	–	-	21	New
Vote 4 - Infrastructure Development		Rehab Of R579 Jane Furse To Ne	Not yet available	t availa	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	15,710	–	–	5,000,000.00	5,100,000.00	5,610,000.00	21	Renewal
Vote 4 - Infrastructure Development		Extention Of Municipal Office	Not yet available	t availa	Yes	Other Assets	Buildings	Not available	7,500	–	–	7,500,000.00	-	-	21	New
Vote 7 - Budget and Treasury		Municipal Vehicles	Not yet available	t availa	Yes	Other Assets	General vehicles	Not available	1,901	–	–	600	634	668	21	New
Vote 7 - Budget and Treasury		Office Equipments and Furniture	Not yet available	t availa	Yes	Other Assets	Furniture and other office equipment	Not available	2,372	–	–	749	791	833	21	New
Vote 7 - Budget and Treasury		Other Assets (Plant)	Not yet available	t availa	Yes	Infrastructure - Other	Plant & equipment	Not available	4,754	–	–	1,500	1,584	1,670	21	New
Vote 6 - Corporate Services		Time Management system (Electronic)	Not yet available	t availa	Yes	Other Assets	Other	Not available	1,000	–	–	1,000	–	–	21	New
Vote 6 - Corporate Services		It Infrastructure	Not yet available	t availa	Yes	Other Assets	Computers - hardware/equipment	Not available	7,923	–	–	2,500	2,640	2,783	21	New
Vote 3 - Economic Development and Planning		Construction of Jane furse hawkers stalls	Not yet available	t availa	Yes	Community	Markets	Not available	1,000	–	–	1,000	–	–	21	New
Vote 3 - Economic Development and Planning		Designs of Development of municipal cemetry	Not yet available	t availa	Yes	Community	Cemeteries	Not available	50	–	–	50	–	–	21	New
Vote 3 - Economic Development and Planning		Development of a municipal park	Not yet available	t availa	Yes	Community	Parks & gardens	Not available	600	–	–	600	–	–	21	New
Vote 5 - Community Services		Thusong service centre implementation	Not yet available	t availa	Yes	Community	Buildings	Not available	200	–	–	200	–	–	29	New
Vote 5 - Community Services		Enhencement of driving licence testing centres	Not yet available	t availa	Yes	Other Assets	Other	Not available	1,585	–	–	500	528	557	14	New
Parent Capital expenditure	1											105,314	117,016	126,764		
Entities: *List all capital projects grouped by Entity*																
Entity A Water project A																
Entity B Electricity project B																
Entity Capital expenditure										–	–	–	–	–		
Total Capital expenditure										–	–	105,314	117,016	126,764		

Table 48 MBRR SA37 - Projects delayed from previous financial year

Municipal Vote/Capital project	Ref.	Project name	Project number	Asset Class	Asset Sub-Class	GPS co-ordinates	Previous target year to complete	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	1,2			3	3	4		Original Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand							Year					
Parent municipality:												
List all capital projects grouped by Municipal Vote				*Examples*	*Examples*							
Vote 4 - Infrastructure Development		Electrification of Setlaboswane (DOE)		*Infrastructure - Electricity*	*Transmission & Reticulation*	*N/A*	2011/2012	2,500	200	2,777	–	–
Vote 4 - Infrastructure Development		1. Acces road to Sekwati Tribal Office		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*N/A*	2011/2012	3,000	300	3,200	2,970	–
Vote 4 - Infrastructure Development		2. Acces road to Manganeng tribal office		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*N/A*	2011/2012	7,000	5,000	2,000	–	–
Vote 4 - Infrastructure Development		3. Acces road to Seopela Tribal Office		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*N/A*	2011/2012	4,200	250	3,950	–	–
Vote 4 - Infrastructure Development		4. Acces road to Masemola tribal office		*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*N/A*	2011/2012	6,300	4,500	1,000	1,110	1,220

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
   Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

2. Internship programme
   The municipality is participating in the Municipal Financial Management Internship programme and has employed four interns undergoing training in various divisions of the Budget and Treasury Department. The two year training contract for this intern ends in December 2012. Since the introduction of the Internship programme the municipality has successfully trained 14 interns and employed 6 of the total trained on permanent positions. Three of this total was permanently employed by the district municipality and one was employed by one of the local municipalities. The municipality is planning to increase the number of interns to eight in January 2013.

3. Budget and Treasury Office
   The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee
   An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan
   The detail SDBIP document is at a draft stage and will be finalised after approval of the 2012/13 MTREF in June 2012 directly aligned and informed by the 2012/13 MTREF.

6. Annual Report
   Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training
   The MFMA training module in electronic format is presented at the municipality and training is ongoing.

8. Policies
   An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009 was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.14 Other supporting documents

Table 49 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
REVENUE ITEMS:											
Property rates	6										
Total Property Rates			17,956	24,520	24,047	41,444	41,444	41,444	27,270	29,997	32,996
less Revenue Foregone											
Net Property Rates		–	17,956	24,520	24,047	41,444	41,444	41,444	27,270	29,997	32,996
Service charges - electricity revenue	6										
Total Service charges - electricity revenue											
less Revenue Foregone											
Net Service charges - electricity revenue		–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	6										
Total Service charges - water revenue											
less Revenue Foregone											
Net Service charges - water revenue		–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone											
Net Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	6										
Total refuse removal revenue											
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue		–	–	–	–	–	–	–	–	–	–
Other Revenue by source											
Tender Documents					500	500	500	500	550	605	666
Other Income		15,956	566	3,588	200	200	200	200	200	220	242
Vat Recovery (Conditional grants)		–	–	–	17,369	6,264	6,264	6,264	24,795	27,301	28,771
	3										
Total 'Other' Revenue	1	15,956	566	3,588	18,069	6,964	6,964	6,964	25,545	28,126	29,679

Table 49 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	9,504	9,523	10,289	20,558	16,718	16,718	16,718	22,644	23,912	25,203
Pension and UIF Contributions			1,825	2,502	8,799	7,361	7,361	7,361	4,788	5,056	5,329
Medical Aid Contributions			384	662	–	–			4,160	4,393	4,630
Overtime			68	134	175	175	175	175	–		
Performance Bonus			–	–	–				–		
Motor Vehicle Allowance			1,075	2,617	6,721	5,623	5,623	5,623	6,399	6,757	7,122
Cellphone Allowance			153	499					961	1,015	1,070
Housing Allowances			245	396	1,999	1,999	1,999	1,999	2,336	2,467	2,600
Other benefits and allowances			115	37	–				3,751	3,961	4,175
Payments in lieu of leave			507	171	1,490	1,246	1,246	1,246	–		
Long service awards									–		
Post-retirement benefit obligations	4								–		
sub-total	5	9,504	13,896	17,307	39,742	33,121	33,121	33,121	45,038	47,560	50,129
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	9,504	13,896	17,307	39,742	33,121	33,121	33,121	45,038	47,560	50,129
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		5,547	5,072	10,878	3,188	3,188	3,188	3,188	5,500	5,808	6,122
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	5,547	5,072	10,878	3,188	3,188	3,188	3,188	5,500	5,808	6,122
Bulk purchases											
Electricity Bulk Purchases											
Water Bulk Purchases											
Total bulk purchases	1	–	–	–	–	–	–	–	–	–	–
Transfers and grants											
Cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	–	–	–	–	–	–	–	–	–	–
Contracted services											
Repairs and maintenance		4,186	13,179	11,507	11,682	19,132	19,132	19,132	17,577	18,436	20,787
Security Services and Cleaning Services		–			–	12,919	12,919	12,919	10,644	11,240	11,847
Other Contracted Services			2,790	4,086					500	528	557
sub-total	1	4,186	15,969	15,593	11,682	32,051	32,051	32,051	28,720	30,204	33,190
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		4,186	15,969	15,593	11,682	32,051	32,051	32,051	28,720	30,204	33,190

Table 49 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Other Expenditure By Type											
Collection costs			–	–	400	650	650	650	1,015	1,072	1,130
Contributions to 'other' provisions			–	–	–	2,000	2,000	2,000			
Consultant fees			–	–	–						
Audit fees			1,755	1,219	1,400	2,561	2,561	2,561	1,899	2,005	2,113
General expenses	3		59,093	36,693	46,747	38,318	38,318	38,318	47,644	49,085	52,981
List Other Expenditure by Type											
Total 'Other' Expenditure	1	–	60,848	37,912	48,547	43,528	43,528	43,528	50,557	52,162	56,224

by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services		4,186	13,179	11,507	11,682	19,132	19,132	19,132	17,577	18,436	20,787
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	4,186	13,179	11,507	11,682	19,132	19,132	19,132	17,577	18,436	20,787

Table 50 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

LIM473 Makhuduthamaga - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Coucil	Vote 2 - Office of the Municipal Manager	Vote 3 - Economic Development and Planning	Vote 4 - Infrastructure Development	Vote 5 - Community Services	Vote 6 - Corporate Services	Vote 7 - Budget and Treasury	Vote 8 -	Vote 9 -	Vote 10 -	Vote 11 -	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand	1																
Revenue By Source																	
Property rates								27,270									27,270
Property rates - penalties & collection charges								–									–
Service charges - electricity revenue								–									–
Service charges - water revenue								–									–
Service charges - sanitation revenue								–									–
Service charges - refuse revenue								–									–
Service charges - other								–									–
Rental of facilities and equipment								100									100
Interest earned - external investments								5,235									5,235
Interest earned - outstanding debtors								5,251									5,251
Dividends received								–									–
Fines								–									–
Licences and permits								4,400									4,400
Agency services								–									–
Other revenue								25,545									25,545
Transfers recognised - operational		31,153	3,339	10,371	25,545	20,672	14,641	40,758									146,479
Gains on disposal of PPE								–									–
Total Revenue (excluding capital transfers and contributio		31,153	3,339	10,371	25,545	20,672	14,641	108,558	–	–	–	–	–	–	–	–	214,279
Expenditure By Type																	
Employee related costs		5,258	2,359	4,071	4,278	11,141	6,301	11,630									45,038
Remuneration of councillors		15,045	–	–		–	–	–									15,045
Debt impairment		–	–	–		–	–	9,038									9,038
Depreciation & asset impairment		–	–	–		–	–	5,500									5,500
Finance charges		–	–	–		–	–	–									–
Bulk purchases		–	–	–		–	–	–									–
Other materials		–	–	–		–	–	–									–
Contracted services		–	–	–	16,427	400	300	11,594									28,720
Transfers and grants		–	–	–		–	–										–
Other expenditure		10,850	980	6,300	4,840	9,130	8,040	10,533									50,673
Loss on disposal of PPE																	–
Total Expenditure		31,153	3,339	10,371	25,545	20,672	14,641	48,294	–	–	–	–	–	–	–	–	154,015
Surplus/(Deficit)		–	–	–	–	–	–	60,264	–	–	–	–	–	–	–	–	60,264
Transfers recognised - capital								45,436									45,436
Contributions recognised - capital								–									–
Contributed assets								–									–
Surplus/(Deficit) after capital transfers & contributions		–	–	–	–	–	–	105,700	–	–	–	–	–	–	–	–	105,700

Table 51 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
ASSETS											
Call investment deposits											
Call deposits < 90 days											
Other current investments > 90 days											
Total Call investment deposits	2	–	–	–	–	–	–	–	–	–	–
Consumer debtors											
Consumer debtors		17,626	14,135	35,025	38,947	74,391	74,391	74,391	83,429	92,972	103,031
Less: Provision for debt impairment						(29,588)	(29,588)	(29,588)	(9,038)	(9,544)	(10,059)
Total Consumer debtors	2	17,626	14,135	35,025	38,947	44,804	44,804	44,804	74,391	83,429	92,972
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		111,914	154,219	207,445	342,991	323,073	323,073	323,073	428,387	545,402	672,167
Leases recognised as PPE	3										
Less: Accumulated depreciation											
Total Property, plant and equipment (PPE)	2	111,914	154,219	207,445	342,991	323,073	323,073	323,073	428,387	545,402	672,167
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		–	–	–	–	–	–	–	–	–	–
Trade and other payables											
Trade and other creditors		10,408	8,216	27,274	1,005	25,000	25,000	25,000	29,000	31,900	35,090
Unspent conditional transfers			11,300								
VAT											
Total Trade and other payables	2	10,408	19,516	27,274	1,005	25,000	25,000	25,000	29,000	31,900	35,090
Non current liabilities - Borrowing											
Borrowing	4										
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions - non-current											
Retirement benefits											
List other major provision items											
Refuse landfill site rehabilitation											
Other		–	–	–	1,440	32,588	32,588	32,588	9,038	9,544	10,059
Total Provisions - non-current		–	–	–	1,440	32,588	32,588	32,588	9,038	9,544	10,059
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		53,049	109,905	224,265	427,422	480,104	480,104	480,104	560,128	665,828	785,876
GRAP adjustments											
Restated balance		53,049	109,905	224,265	427,422	480,104	480,104	480,104	560,128	665,828	785,876
Surplus/(Deficit)		69,327	28,800	84,590	100,604	80,024	80,024	80,024	105,700	120,048	134,077
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	122,375	138,705	308,855	528,027	560,128	560,128	560,128	665,828	785,876	919,953
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves		541									
Revaluation											
Total Reserves	2	541	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	122,917	138,705	308,855	528,027	560,128	560,128	560,128	665,828	785,876	919,953

Table 52 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

LIM473 Makhuduthamaga - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Census 2001 - Census 2007		263	300	300	300	300	300	300	300	300
Females aged 5 - 14		Census 2001 - Census 2007		149	177	177	177	177	177	177	177	177
Males aged 5 - 14		Census 2001 - Census 2007		114	123	123	123	123	123	123	123	123
Females aged 15 - 34		Census 2001 - Census 2007										
Males aged 15 - 34		Census 2001 - Census 2007										
Unemployment					26	24	21	21	21	21	21	21
Monthly household income (no. of households)	1, 12											
No income		Statistics South Africa 2007 (Community Survey)			144,105	144,105	144,105	144,105	144,105	144,105	144,105	144,105
R1 - R1 600		Statistics South Africa 2007 (Community Survey)			–	–	–	–	–	–	–	–
R1 601 - R3 200		Statistics South Africa 2007 (Community Survey)			–	–	–	–	–	–	–	–
R3 201 - R6 400		Statistics South Africa 2007 (Community Survey)			60,966	60,966	60,966	60,966	60,966	60,966	60,966	60,966
R6 401 - R12 800		Statistics South Africa 2007 (Community Survey)			32,154	32,154	32,154	32,154	32,154	32,154	32,154	32,154
R12 801 - R25 600		Statistics South Africa 2007 (Community Survey)			2,128	2,128	2,128	2,128	2,128	2,128	2,128	2,128
R25 601 - R51 200		Statistics South Africa 2007 (Community Survey)			2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637
R52 201 - R102 400		Statistics South Africa 2007 (Community Survey)			3,829	3,829	3,829	3,829	3,829	3,829	3,829	3,829
R102 401 - R204 800		Statistics South Africa 2007 (Community Survey)			718	718	718	718	718	718	718	718
R204 801 - R409 600		Statistics South Africa 2007 (Community Survey)			57	57	57	57	57	57	57	57
R409 601 - R819 200		Statistics South Africa 2007 (Community Survey)			9	9	9	9	9	9	9	9
> R819 200		Statistics South Africa 2007 (Community Survey)			235	235	235	235	235	235	235	235
Poverty profiles (no. of households)												
< R2 060 per household per month	13				247,632	247,632	247,632	247,632	247,632	247,632	247,632	247,632
Insert description	2											
Household/demographics (000)												
Number of people in municipal area		Statistics South Africa 2007 (Community Survey)		262,750	262,728	262,728	262,728	262,728	262,728	262,728	262,728	262,728
Number of poor people in municipal area		Statistics South Africa 2007 (Community Survey)										
Number of households in municipal area		Statistics South Africa 2007 (Community Survey)		262,731	262,731	262,731	262,731	262,731	262,731	262,731	53,654	53,654
Number of poor households in municipal area		Statistics South Africa 2007 (Community Survey)			247,632	247,632	247,632	247,632	247,632	247,632	247,632	247,632
Definition of poor household (R per month)			2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060
Housing statistics	3											
Formal					53,645	53,645	53,645	53,645	53,645	53,645	53,645	53,645
Informal												
Total number of households			-	-	53,645	53,645	53,645	53,645	53,645	53,645	53,645	53,645
Dwellings provided by municipality	4				-	-	-	-	-	-	-	-
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											

2.16.1 Contact Details

LIM473 Makhuduthamaga - Contact Information

A. GENERAL INFORMATION		
Municipality	**LIM473 Makhuduthamaga**	Set name on 'Instructions' sheet
Grade	3	*1 Grade in terms of the Remuneration of Public Office Bearers Act.*
Province	**LP LIMPOPO**	
Web Address	**www.makhuduthamaga.gov.za**	
e-mail Address	**MogobadiM@makhuduthamaga.gov.za**	

B. CONTACT INFORMATION	
Postal address:	
P.O. Box	PRIVATE BAG X 434
City / Town	JANE FURSE
Postal Code	1085
Street address	
Building	STAND NO 1
Street No. & Name	PLAZA
City / Town	JANE FURSE
Postal Code	1085
General Contacts	
Telephone number	013 265 8600
Fax number	013 265 1975

C. POLITICAL LEADERSHIP			
Speaker:		**Secretary/PA to the Speaker:**	
Name	Clr. M Makaleng	Name	MAILA REGINAH
Telephone number	013 265 8600	Telephone number	013 265 1262
Cell number	082 305 7027	Cell number	076 282 5125
Fax number	013 265 1975	Fax number	013 265 1975
E-mail address	Lejelakae@webmail.co.za	E-mail address	Lejelakae@webmail.co.za
Mayor/Executive Mayor:		**Secretary/PA to the Mayor/Executive Mayor:**	
Name	Clr. M.A Matlala	Name	Mrs. Lenthotse Mohlala
Telephone number	013 265 8600	Telephone number	013 265 8637
Cell number	082 343 0142	Cell number	082 294 4957
Fax number	086 630 5385	Fax number	086 630 5385
E-mail address	lenthotsem@makhuduthamaga.gov.za	E-mail address	lenthotsem@makhuduthamaga.gov.za

Deputy Mayor/Executive Mayor:		Secretary/PA to the Deputy Mayor/Executive Mayor:	
Name	N/A	Name	N/A
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	

D. MANAGEMENT LEADERSHIP

Municipal Manager:		Secretary/PA to the Municipal Manager:	
Name	MOROPA M.E	Name	MATLALA MOOIKIE
Telephone number	013 265 8600	Telephone number	013 265 8600
Cell number	082 378 3738	Cell number	072 736 1853
Fax number	013 265 1975/ 086 608 3056	Fax number	086 608 3056
E-mail address	mogobadimoropa@yahoo.co	E-mail address	matlalam@makhuduthamaga.gov.za

Chief Financial Officer		Secretary/PA to the Chief Financial Officer	
Name	DIALE DOROTHY SEKGOLOLO	Name	LESHABA D.M
Telephone number	013 265 8625	Telephone number	013 265 8600
Cell number	083 446 0178	Cell number	082 820 2358
Fax number	013 265 1975	Fax number	013 265 1975 / 086 636 3115
E-mail address	amaga.gov.za	E-mail address	leshabad@makhuduthamaga.gov.za

Official responsible for submitting financial information	
Name	MOGANEDI R.M
Telephone number	013 265 8622
Cell number	072 207 7581
Fax number	086 637 3884
E-mail address	a.gov.za
Official responsible for submitting financial information	
Name	
Telephone number	
Cell number	
Fax number	
E-mail address	
Official responsible for submitting financial information	
Name	
Telephone number	
Cell number	
Fax number	
E-mail address	

2.17 Annual budget of municipal entities attached to the municipal annual budget

- Makhuduthamaga local municipality does not have entities and therefore no budget for municipal entities is attached to the budget.

LOCAL MUNICIPALITY

Quality Certificate

I **Moropa Mogobadi Erick**, the municipal manager of **Makhuduthamaga Municipality** hereby certify that the:

- ✓ Annual Budget

For 2012/2013 and supporting documents has been prepared in accordance with Municipal Finance Management Act and regulations made under the Act, and that the Annual Budget for 2012/2013 and supporting documents are consistent with the Integrated Development Plan of the municipality

Print Name: Moropa Mogobadi Erick

Municipal Manager of **Makhuduthamaga Local Municipality (LIM473)**

Signature …….

Date ……..